

**Comprehensive Annual
Financial Report**

of the

Township of Union, Board of Education

County of Union

Union, New Jersey

For the Fiscal Year Ended June 30, 2011

Prepared by

**Township of Union, Board of Education
Finance Department**

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
Letter of Transmittal	1-7
Roster of Officials	8
Organizational Chart	9
FINANCIAL SECTION	
Independent Auditor's Report	10-11
REQUIRED SUPPLEMENTARY INFORMATION – Part I	12
Management's Discussion and Analysis (Unaudited)	13-23
BASIC FINANCIAL STATEMENTS	24
A. District-Wide Financial Statements:	25
A-1 Statement of Net Assets	26
A-2 Statement of Activities	27
B. Major Fund Financial Statements:	28
Governmental Funds:	
B-1 Balance Sheet	29
B-2 Statement of Revenues, Expenditures and Changes in Fund Balance	30
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	31
Other Funds:	32
Propriety Funds:	
B-4 Statement of Net Assets	33
B-5 Statement of Revenues, Expenses and Changes in Net Assets	34
B-6 Statement of Cash Flows	35
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Assets	36
B-8 Statement of Changes in Fiduciary Net Assets	37
Notes to the Financial Statements	38-66

TABLE OF CONTENTS (Continued)

	Page
REQUIRED SUPPLEMENTARY INFORMATION – Part II	67
C. Budgetary Comparison Schedules:	68
C-1 General Fund	69-76
C-2 Special Revenue Fund	77
C-3 Budget to GAAP Reconciliation	78
 OTHER SUPPLEMENTARY INFORMATION	 79
D. School Level Schedules	N/A
E. Special Revenue Fund:	80
E-1 Combining Schedules of Revenues and Expenditures - Budgetary Basis	81-85
E-2 Schedule of Preschool Education Aid - Budgetary Basis	N/A
F. Capital Projects Fund	86
F-1 Summary Statement of Project Expenditures-Budgetary Basis	87
F-2 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance-Budgetary Basis	88
F-2a Schedule of Project Revenues, Expenditures, Project Balance, and Project Status-Budgetary Basis - Union High School January 2003 Bond	89
F-2b Schedule of Project Revenues, Expenditures, Project Balance, and Project Status-Budgetary Basis - Kawameeh Middle School January 2003 Bond	90
F-2c Schedule of Project Revenues, Expenditures, Project Balance, and Project Status-Budgetary Basis - Administration Building January 2003 Bond	91
F-2d Schedule of Project Revenues, Expenditures, Project Balance, and Project Status-Budgetary Basis - Battle Hill School January 2003 Bond	92
F-2e Schedule of Project Revenues, Expenditures, Project Balance, and Project Status-Budgetary Basis - Central Five School January 2003 Bond	93
F-2f Schedule of Project Revenues, Expenditures, Project Balance, and Project Status-Budgetary Basis - Connecticut Farms School January 2003 Bond	94
F-2g Schedule of Project Revenues, Expenditures, Project Balance, and Project Status-Budgetary Basis - Franklin School January 2003 Bond	95
F-2h Schedule of Project Revenues, Expenditures, Project Balance, and Project Status-Budgetary Basis - Livingston School January 2003 Bond	96

TABLE OF CONTENTS (Continued)

	Page
F. Capital Projects Fund (Continued)	
F-2i Schedule of Project Revenues, Expenditures, Project Balance, and Project Status-Budgetary Basis - Washington School January 2003 Bond	97
F-2j Schedule of Project Revenues, Expenditures, Project Balance, and Project Status-Budgetary Basis - Burnet Middle School January 2003 Bond	98
F-2k Schedule of Project Revenues, Expenditures, Project Balance, and Project Status-Budgetary Basis - Field House January 2003 Bond	99
F-2l Schedule of Project Revenues, Expenditures, Project Balance, and Project Status-Budgetary Basis - Hannah Caldwell School New Early Childhood Classrooms	100
F-2m Schedule of Project Revenues, Expenditures, Project Balance, and Project Status-Budgetary Basis - Central Five-Jefferson School	101
G. Proprietary Funds	102
Enterprise Fund:	
G-1 Combining Statement of Net Assets	103
G-2 Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	104
G-3 Combining Statement of Cash Flows	105
H. Fiduciary Fund	106
H-1 Combining Statement of Fiduciary Net Assets	107
H-2 Combining Statement of Changes in Fiduciary Net Assets	108
H-3 Student Activity Agency Fund - Schedule of Receipts and Disbursements	109
H-4 Payroll Agency Funds - Schedule of Receipts and Disbursements	110
H-5 Other Agency Funds - Schedule of Receipt and Disbursements	N/A
I. Long-Term Debt	111
I-1 Schedule of Serial Bonds	112
I-2 Schedule of Obligations Under Capital Leases	N/A
I-3 Comparative Statements of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	113

TABLE OF CONTENTS (Continued)

	Page	
STATISTICAL SECTION (UNAUDITED)		
J-1	Net Assets by Component-Last Four Fiscal Years	114
J-2	Changes in Net Assets-Last Four Fiscal Years	115-116
J-3	Fund Balances-Governmental Funds	117
J-4	Changes in Fund Balances-Governmental Funds-Last Four Fiscal Years	118
J-5	General Fund Other Local Revenue by Source-Last Ten Fiscal Years	119
J-6	Assessed and Estimated Actual Value of Taxable Property-Last Five Fiscal Years	120
J-7	Direct and Overlapping Property Tax Rates-Last Ten Fiscal Years	121
J-8	Schedule of Principal Tax Payers-Current Year	122
J-9	Municipal Property Tax Levies and Collections-Last Ten Fiscal Years	123
J-10	Ratios of Outstanding Debt by Type-Last Ten Fiscal Years	124
J-11	Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt per Capita	125
J-12	Ratios of Overlapping Governmental Activities Debt	126
J-13	Legal Debt Margin Information-Last Four Fiscal Years	127
J-14	Demographic Statistics-Last Ten Fiscal Years	128
J-15	Principal Employers-Current Year	129
J-16	Full Time Equivalent District Employees by Function/Program-Last Four Fiscal Years	130
J-17	Operating Statistics-Last Five Fiscal Years	131
J-18	School Building Information	132-133
J-19	Schedule of Required Maintenance for School Facilities-Last Four Fiscal Years	134
J-20	Insurance Schedule	135-136

SINGLE AUDIT SECTION

K-1	Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	137-138
K-2	Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Federal and State Financial Assistance Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04	139-140
K-3	Schedule of Expenditures of Federal Awards, Schedule A	141
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	142-143
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	144-145
K-6	Schedule of Findings and Questioned Costs	146-148
K-7	Schedule of Prior Audit Findings	149

INTRODUCTORY SECTION

Township of Union Public Schools

Patrick W. Martin, Ed.D.
Superintendent of Schools

October 28, 2011

Honorable President and Members of
The Board of Education of the
Township of Union
2369 Morris Avenue
Union, New Jersey 07083

Dear Board Members:

The comprehensive annual financial report of the Township of Union School District (the "District") for the fiscal year ended June 30, 2011, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Township of Union Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the district. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the management's discussion and analysis, general-purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of State, Local Governments and Non-Profit Organizations," and the state Treasury Circular Letter 04-04 NJOMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

Honorable President and Members of
 The Board of Education of the Township of Union
 October 28, 2011

1. REPORTING ENTITY AND ITS SERVICES: The Township of Union School District is an independent reporting entity within the criteria adopted by the Financial Accounting Standard Board ("FASB") as established by Governmental Accounting Standard Board ("GASB") in codification section 2100. All funds and account groups of the District are included in this report. The Township of Union School District and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-Kindergarten through twelve as well as education for children with special needs grades Pre-School through twelve. The District completed the 2010-2011 fiscal year with an enrollment of 7702 students, which is a decrease of 59 students from the previous year's enrollment. The following details the changes in the average student enrollment of the District over the last ten years.

AVERAGE DAILY ENROLLMENT

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2010-2011	7702.0	-0.76%
2009-2010	7760.7	-1.54%
2008-2009	7882.3	-.13%%
2007-2008	7892.9	-.32%
2006-2007	7918.3	-.71%
2005-2006	7975.3	.15%
2004-2005	7963.6	-.07%
2003-2004	7968.9	-.67%
2002-2003	8022.5	-.90%

2. ECONOMIC CONDITION AND OUTLOOK: The Township of Union continues to reflect the economic conditions of the state and country as a whole. Residential, commercial and industrial properties continue to reduce in value with continued foreclosures. Commercial and residential properties remain on the market for long periods resulting continued vacancies. Unemployment continues to remain high with job growth weak.

Honorable President and Members of
The Board of Education of the Township of Union
October 28, 2011

Several commercial and residential long delayed projects have been completed with several new projects approved. There is a lack of confidence in both residential and commercial for sustained growth. The Township of Union remains well positioned for when the economic conditions in the country improve.

Union Station and the surrounding area continue to be a bright spot in the township showing surprisingly economic vitality.

3. MAJOR INITIATIVES: During the 2011-12 school year, the first level of initiative for the Township of Union Public School District is to comply with the mandates set forth for school districts in the area of bullying by the New Jersey State Department of Education. All staff and Board of Education members will be trained on how to recognize and report bullying. Proper parent/community meetings regarding the bullying initiative will be conducted. Incidents of bullying will be addressed by appropriate personnel, with the school community member who has bullied and the school community member who has bullied and the school community member who did the bullying receiving proper attention. Incidents of bullying will be appropriately reported to the school district's administration and Board of Education.

It is the goal of the Township of Union Public School District to eradicate incidences of bullying from the school community.

The second level of initiative will again have to do with Academic Proficiency Lists and Testing. The results of standardized testing during the 2010-2011 school year showed general improvement. Thus, this initiative and others concerning student academic growth, will be repeated and re-emphasized. For each grade level, pre-kindergarten through grade 8, a "Proficiency List" for mathematics and a "Proficiency List" for language arts was created by teachers and administrators. These lists are kept to one-page and outline the topics/skills that students MUST master on each grade level if they are to be able to compete and survive on the next higher grade level. The reasoning behind these lists is that if each student masters the "non-negotiable"

Honorable President and Members of
The Board of Education of the Township of Union
October 28, 2011

skills and learns the non-negotiable knowledge for each grade level, he/she should be able to succeed as he/she progresses through the years of education. The success rate for all students should be 100%, as is called for in federal No Child Left Behind legislation.

The proficiency lists were distributed to all parents at Back-to-School Nights, and they are easily accessible on the school district's website: www.twpunionschools.org.

All students will again be tested on their knowledge of the items on the Proficiency Lists twice a year: once on a Mid-Year Proficiency test in January . . . and then again on an End-of-the-Year Proficiency Test in June. The Mid-Year Proficiency Test is given to provide students, teachers, and parents with a mid-year look at how well each student is progressing. If a student is not able to complete the work on the End-of-the Year Proficiency Test, it is an indication that the student may not be ready for the academic challenges of the subsequent grade level, and proper remediation should be initiated. The results of Proficiency Tests will be shared with parents.

The third level of initiative will again have to do with Chapter Books. All students, pre-kindergarten through grade 12, in the school district will again be being asked to read six chapter books (beginning in middle school, these books are referred to as novels) during the course of the school year. These books are provided by the school district, and their titles are selected by faculty. Students in a class all read the same book at the same time. This allows the teacher and students to conduct discussions regarding the meaning of each book. This also allows the teacher to check to see if all students are completing reading assignments (through the use of comprehension quizzes).

After a class has completed a book, each student is required to write an essay about the message of the book. Faculty will provide essay topics. These essays, beginning in grade 3, must be in classic five-paragraph format. All essays will be graded by appropriate teachers, and it is recommended, the copies be sent home to parents. Copies of each essay will be sent to the district superintendent for review. Copies of all essays will be kept on file in the conference room of the district office.

Honorable President and Members of
The Board of Education of the Township of Union
October 28, 2011

The fourth level of initiative is the continued monitoring of the expansion of language arts and math class periods in the district's two middle schools so that every student receives a double period of each subject each day. This "doubling up" of time spent on math and language arts gives teachers and students additional opportunities to identify and address weaknesses pupils might have in these crucial subject areas. Emphasis is given to allowing students to work cooperatively with other students during these extended periods so that children learn from their peers as well as their adult teachers. As was previously stated, standardized test scores in the district did improve last school year, and a continued analysis of the role of these double periods in the improvement continues to be examined.

The fifth level of initiative will again have to do with the "Bees" that will be taking place in the district's six elementary schools throughout the school year. These are old-fashioned spelling bees, mathematics bees, history-fact bees, etc. They require the students to study and memorize a certain set of facts in preparation for a visitor to their school (usually the math and language arts supervisor) who will conduct the "bee" in a large area such as the school auditorium. Efforts are made to visit the children first and announce and explain the "bee", and then, several weeks later, visit the children again to conduct the actual bee. This gives the children time to practice. Parents are informed of the coming bee, and this allows them an opportunity to help their children with their readiness.

The purpose of the bees is to encourage the children's mastery of essential "academic building blocks" that the child will call upon throughout his/her school experiences.

4. INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not

Honorable President and Members of
The Board of Education of the Township of Union
October 28, 2011

absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

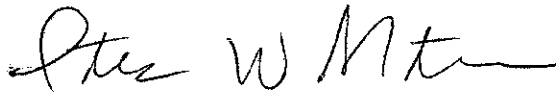
5. **BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital project fund. The final budget amount as amended for the fiscal year is reflected in the financial section.
6. **ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principals, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.
7. **DEBT ADMINISTRATION:** The District passed a \$23.4 million dollar bond referendum on April 20, 2010, in order to demolish and reconstruct a major portion of Central-Five/Jefferson School and renovate the remaining portion of the school. The cost of which has been funded through the issuance of school bonds on September 8, 2011 in the amount of \$6,712,000 and a New Jersey School Development Authority grant in the amount of \$5,259,907 and a local education agency capital reserve withdrawal in the amount of \$12,000,000. Information related to the District's outstanding debt is recorded in the long-term debt schedules of the comprehensive annual financial report.
8. **CASH MANAGEMENT:** The investment policy of the district is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan, which requires it to deposit public Government Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in

Honorable President and Members of
The Board of Education of the Township of Union
October 29, 2010

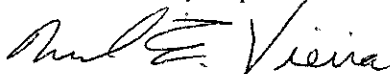
New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the act.

9. **RISK MANAGEMENT:** The District carries various forms of insurance, including but not limited to general liability, excess liability, errors and omissions, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.
10. **OTHER INFORMATION:** Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Suplee, Clooney & Company, CPAs was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendment of 1996 and the related OMB Circular A-133 and State Treasury Circular Letter 04-04 NJOMB. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit section of this report.
11. **ACKNOWLEDGEMENTS:** We would like to express our appreciation to the members of the Township of Union Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our staff.

Respectfully submitted,



Patrick W. Martin, Superintendent of Schools



Manuel E. Vieira, Interim Business Administrator



James J. Damato, Board Secretary

**TOWNSHIP OF UNION BOARD OF EDUCATION
UNION, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2011**

MEMBERS OF THE BOARD OF EDUCATION

TERM EXPIRES

Francis R. Perkins, President	2014
Versie McNeil, Vice President	2013
Gary Abraham – appointed to E. Espinal seat until 4/12	2012
David Arminio	2012
Eduardo Espinal – resigned May 2011	2014
Linda Gaglione	2013
Richard J. Galante	2013
Thomas Layden	2012
Vito A. Nufrio	2014
Judy Salazar	2012

OTHER OFFICIALS

Dr. Patrick W. Martin, Superintendent of Schools

Mr. Gregory Tatum, Assistant Superintendent of Schools

Ms. Karen M. Dunn, Business Administrator

Mr. Manuel E. Vieira, Asst. Business Administrator

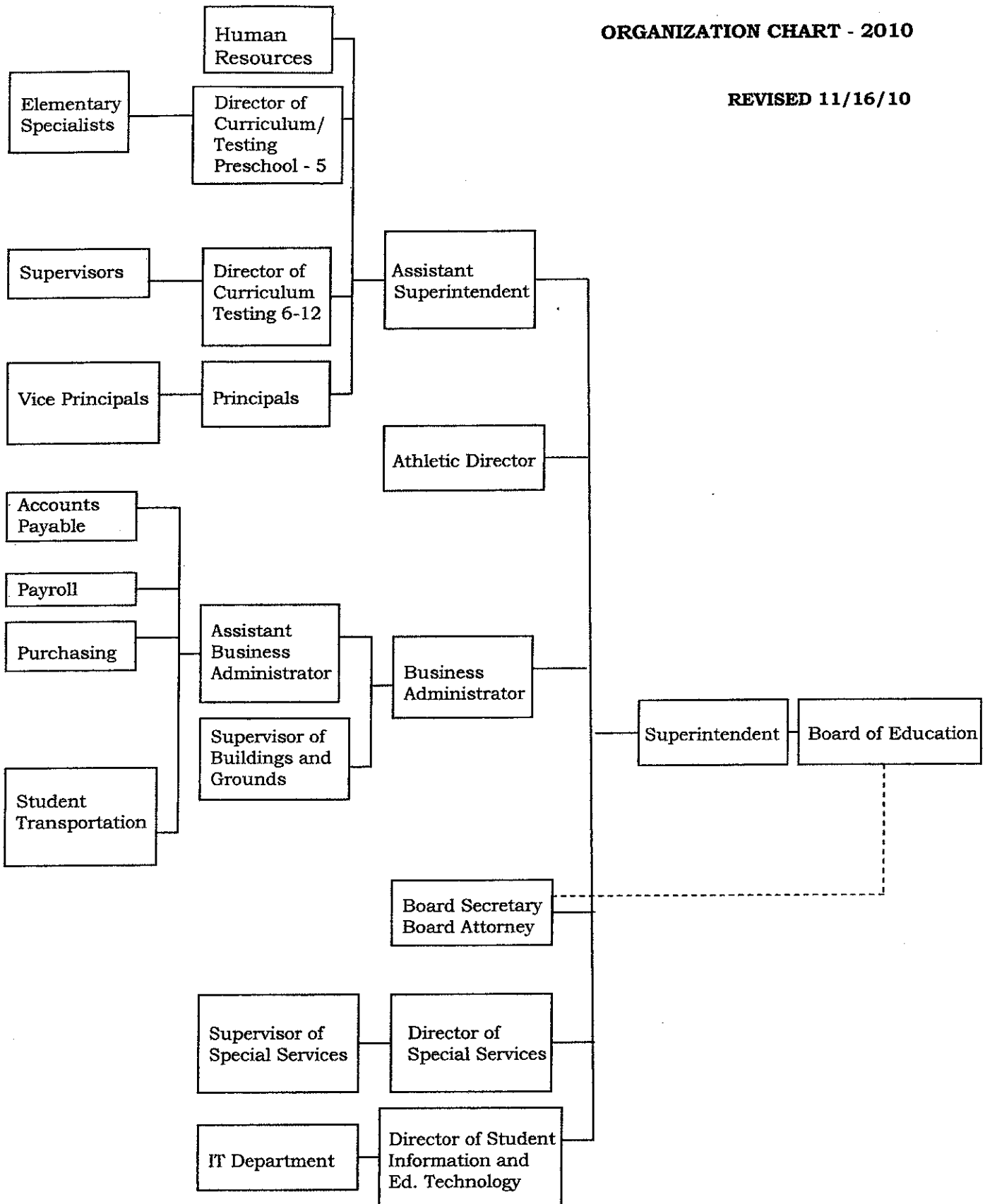
Mr. James J. Damato, Board Secretary/Board Attorney

Mr. Thomas Wiggins, Supervisor of Buildings and Grounds

Mrs. Debra L. Cyburt, Treasurer of School Monies

ORGANIZATION CHART - 2010

REVISED 11/16/10



FINANCIAL SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Township of Union
County of Union
Union, New Jersey 07083

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund and the aggregate remaining fund information of the Township of Union School District, County of Union, New Jersey as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey and the provisions of U. S. Office of Management and Budget (OMB) Circular A-133 "Audits of State, Local Governments and Non-Profit Organizations" and State of New Jersey OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate fund information of the Township of Union School District, County of Union, New Jersey as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

SUPLEE, CLOONEY & COMPANY

In accordance with Government Auditing Standards, we have also issued our report dated October 28, 2011 on our consideration of the Township of Union School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in for assessing the results of our audit.

The Management's Discussion and Analysis and the required supplementary information, as listed in the foregoing table of contents, respectively, are not a required part of the basic financial statements but are supplementary information required by the U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Union School District's basic financial statements. The introductory section, combining and individual fund schedules and statements, other schedules, statistical tables and the schedules of expenditures of federal awards and state financial assistance as listed in the table of contents are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations"; New Jersey OMB's Circular 04-04 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid" and State of New Jersey, Department of Education, Division of Finance and are not a required part of the basic financial statements of the Township of Union School District, County of Union, New Jersey. Such information, except for the introductory section and that portion marked unaudited on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 93

October 28, 2011

REQUIRED SUPPLEMENTARY INFORMATION – Part I

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

**UNION SCHOOL DISTRICT
UNION, NJ
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED**

The discussion and analysis of Union Township's School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2010. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is a new element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* issued in June 1999. Certain comparative information between the current year (2010-2011) and the prior year (2009-2010) is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for 2011 are as follows:

- ◆ In total, net assets increased \$5,898,416 which represents a 10.14 percent increase from 2010.
- ◆ General revenues accounted for \$116,339,703 in revenue or 92 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$10,347,717 or 8 percent of total revenues of \$126,687,420.
- ◆ Total assets of governmental activities increased by \$4,494,775 as cash and cash equivalents increased by \$7,165,217. Receivables increased by \$5,429,492. Restricted cash and cash equivalents decreased by \$10,494,939, and capital assets increased by \$2,395,005.
- ◆ The School District had \$120,789,004 in expenses; only \$10,347,717 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$116,339,703 were adequate to provide for these programs.
- ◆ Among governmental funds, the General Fund had \$111,999,166 in revenues and \$113,900,520 in expenditures and transfers out of \$12,000,000 to the Capital Projects Fund. The General Fund's fund balance decreased \$13,901,355 over 2010. This decrease was not anticipated by the Board of Education.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Union School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the whole School district, presenting both an aggregate view of the School district's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School district's most significant funds with all other non-major funds presented in total in one column. In the case of Union School District, the General Fund is by far the most significant fund.

**UNION SCHOOL DISTRICT
UNION, NJ
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

UNAUDITED (CONTINUED)

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School district as a whole looks at all financial transactions and asks the question, "How did we do financially during 2011?" The Statement of Net Assets and the Statement of Activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the school district as a whole, the financial position of the School district has improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Assets and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- ◆ Governmental activities – All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- ◆ Business-Type Activity – This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's funds. The School District uses many funds to account for a multitude of financial transactions. The School District's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund.

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School district's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**UNION SCHOOL DISTRICT
UNION, NJ
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED (CONTINUED)**

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The notes to the financial statements can be found immediately following the fund financial statements.

The School District as a Whole

Recall that the Statement of Net Assets provides the perspective of the School District as a whole. Net assets may serve over time as a useful indicator of a government's financial position. The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Table 1 provides a comparative summary of the School District's net assets for 2011 and 2010.

Table 1		
Net Assets		
	<u>2011</u>	<u>2010</u>
Assets		
Current and Other Assets	\$ 35,254,086.00	\$ 33,305,740.00
Capital Assets	<u>61,677,703.00</u>	<u>59,315,849.00</u>
Total Assets	<u>\$ 96,931,789.00</u>	<u>\$ 92,621,589.00</u>
Liabilities		
Long-term Liabilities	\$ 28,507,125.00	\$ 30,704,600.00
Other Liabilities	<u>4,358,739.00</u>	<u>3,749,480.00</u>
Total Liabilities	<u>\$ 32,865,864.00</u>	<u>\$ 34,454,080.00</u>
Net Assets		
Invested in Capital Assets, Net of Debt	\$ 34,375,703.00	\$ 30,773,849.00
Restricted	31,360,472.00	30,728,533.00
Unrestricted	<u>(1,670,250.19)</u>	<u>(3,334,873)</u>
Total Net Assets	<u>\$ 64,065,924.81</u>	<u>\$ 58,167,509</u>

The District's combined net assets were \$64,065,925 on June 30, 2011. This was an increase of \$5,898,416 or 10.14 percent from the prior year.

**UNION SCHOOL DISTRICT
UNION, NJ
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED (CONTINUED)**

Table 2 shows changes in net assets for fiscal year 2011 and 2010.

**Table 2
Changes in Net Assets**

	<u>2011</u>	<u>2010</u>
Revenues		
Program Revenues:		
Charges for Services	\$ 1,563,826	\$ 1,604,612
Operating grants and Contributions	8,783,892	8,554,716
General Revenues:		
Property Taxes	77,275,754	74,922,559
Grants and Entitlements	38,016,691	28,762,470
Gain on Sale of Fixed Assets		
Other	<u>1,047,257</u>	<u>699,631</u>
Total Revenues	\$ <u>126,687,420</u>	\$ <u>114,543,988</u>
Program Expenses		
Instruction	67,859,238	65,351,523
Support Services:		
Pupils and Instructional Staff	23,379,325	24,619,960
General Administration, School Administration, Business Operations and Maintenance of Facilities	20,568,942	20,615,656
Pupil Transportation	4,671,128	5,192,922
Interest on Debt	1,041,958	1,386,499
Business Type Activities	2,979,320	3,026,443
Other	<u>289,093</u>	<u>275,840</u>
Total Expenses	\$ <u>120,789,004</u>	\$ <u>120,468,843</u>
 Increase/(Decrease) in Net Assets	 \$ <u>5,898,416</u>	 \$ <u>(5,924,856)</u>

Governmental Activities

The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the School District operations. Property taxes made up 61 percent of revenues for governmental activities for the Union School District for fiscal year 2011. The District's total revenues were \$126,687,420 for the year ended June 30, 2011.

Sources of Revenue for Fiscal Year 2011

Federal/State Grants 37%
Property Taxes 61%
Charges for Services 1%
Other 1%

**UNION SCHOOL DISTRICT
UNION, NJ
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED (CONTINUED)**

The total cost of all program and services was \$120,789,004. Instruction comprises 54 percent of District expenses.

Expenses for Fiscal Year 2011

Instruction-Related 56%
Maintenance & Operations 9%
Administration 9%
Student Support Services 19%
Transportation 4%
Business Type Activities 2%
Interest on Debt Service 1%

Business-Type Activities

Revenues for the District's business-type activities (food service program) were comprised of charges for services and federal and state reimbursements.

- ◆ Expenses exceeded income by \$8,168.
- ◆ Charges for services represent \$1,563,826 of revenue. This represents amounts paid by patrons for daily food service.
- ◆ Federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast, and donated commodities was \$1,402,554.
- ◆ Interest revenue was \$4,794.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3A & 3B show the total cost of services and the net cost of services for 2011, 2010 respectively. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

**UNION SCHOOL DISTRICT
UNION, NJ
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED (CONTINUED)**

Table 3A

	Total Cost of Services <u>2011</u>	Net Cost of Services <u>2011</u>
Instruction	\$ 67,859,238	\$ 63,035,617
Support Services: Pupils and Instructional Staff	23,379,325	22,630,532
General Administration, School Administration, Business	10,183,449	9,349,038
Operation and Maintenance of Facilities	10,385,493	9,776,010
Pupil Transportation	4,671,128	4,510,050
Interest and Fiscal Charges	1,041,958	916,348
Other	289,093	210,731
Business Type Activities	<u>2,979,320</u>	<u>12,961</u>
Total Expenses	\$ <u>120,789,004</u>	\$ <u>110,441,286</u>

Table 3B

	Total Cost of Services <u>2010</u>	Net Cost of Services <u>2010</u>
Instruction	\$ 65,351,524	\$ 60,678,858
Support Services: Pupils and Instructional Staff	24,619,960	23,894,601
General Administration, School Administration, Business	10,012,261	9,203,962
Operation and Maintenance of Facilities	10,603,395	10,012,986
Pupil Transportation	5,192,922	5,036,885
Interest and Fiscal Charges	1,386,499	1,238,937
Other	275,840	199,930
Business Type Activities	<u>3,026,442</u>	<u>43,356</u>
Total Expenses	\$ <u>120,468,843</u>	\$ <u>110,309,515</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration, and business include expenses associated with administrative and financial supervision of the District.

**UNION SCHOOL DISTRICT
UNION, NJ
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED (CONTINUED)**

Operation and maintenance of facilities involve keeping the school grounds, buildings, and equipment in an effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by State law.

Interest on debt involves the transactions associated with the payment of interest and other related charges to debt of the School District.

"Other" includes special schools and unallocated depreciation.

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$118,442,501 and expenditures were \$120,691,059 resulting in a deficit of revenues over expenditures of \$2,248,558.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2010, and the amount and percentage of increases and decreases in relation to prior year revenues.

<i>Revenue</i>	<i>2011 Amount</i>	<i>Percent of Total</i>	<i>Increase (Decrease) From 2010</i>	<i>Percent of Increase (Decrease)</i>
Local sources	\$ 78,304,359	66.11%	\$ 2,687,405	3.55%
State Sources	35,816,745	30.24%	8,894,598	33.04%
Federal Sources	<u>4,321,397</u>	<u>3.65%</u>	<u>(3,550,582)</u>	<u>(45.10)%</u>
Total	\$ <u>118,442,501</u>	<u>100.00%</u>	<u>\$ 8,031,421</u>	<u>7.27%</u>

Local revenues increased by \$2,687,405. The increase in local revenue was due to increases in property taxes, miscellaneous revenues, tuition and transportation fees and a decrease in interest on capital reserves.

The following schedule represents a summary of general fund, special revenue fund, and debt service fund expenditures for the fiscal year ended June 30, 2011, and the percentage of increases and decreases in relation to prior year amounts.

**UNION SCHOOL DISTRICT
UNION, NJ
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED (CONTINUED)**

<i>Expenditures</i>	<i>2011 Amount</i>	<i>Percent of Total</i>	<i>Increase (Decrease) From 2010</i>	<i>Percent of Increase (Decrease)</i>
Current Expense:				
Instruction	\$ 49,727,569	41.20%	\$ 3,502,893	7.58%
Undistributed expenditures	61,404,574	50.88%	(3,310,290)	(5.12)%
Capital Outlay	2,768,378	2.29%	1,195,484	76.01%
Special Revenues	4,471,692	3.71%	939,989	26.62%
Debt Service:				
Principal	1,240,000	1.03%	65,000	5.53%
Interest	<u>1,078,847</u>	<u>0.89%</u>	<u>(319,035)</u>	<u>(22.82)%</u>
Total	\$ <u>120,691,059</u>	<u>100.00%</u>	\$ <u>2,074,041</u>	<u>1.75%</u>

Changes in expenditures were the results of varying factors. Current expense increased due to additional staff, increased health benefits and utility costs.

General Fund Budgeting Highlights

The School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

Over the course of the year, the District revised the annual operating budget. Revisions in the budget were made to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- ◆ Interest income was less than anticipated. Interest rates remained somewhat constant due to economic conditions.
- ◆ Extraordinary aid, which is state aid for special education students whose individual program cost exceeds \$40,000 per year, was not fully anticipated, as there is no guarantee from the Department of Education that these funds would be available.
- ◆ TPAF, which is the state's contribution to the pension fund, is neither a revenue item nor an expenditure item to the district but is required to be reflected in the financial statements.
- ◆ Tuition for special education students is budgeted based on the existing and known incoming students at the time the budget is submitted. Students move into the District during the summer as well as the school year, which necessitates transferring funds to the appropriate account to pay these special education costs.

**UNION SCHOOL DISTRICT
UNION, NJ
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED (CONTINUED)**

Capital Assets

At the end of the fiscal year 2011, the School District had \$61,438,548 invested in land, building, furniture and equipment, and vehicles. Table 4 shows fiscal year 2011 balances compared to 2010.

**Table 4
Capital Assets (Net of Depreciation) at June 30**

	<u>2011</u>	<u>2010</u>
Land	\$ 9,553,000	\$ 9,553,000
Construction in Progress	1,045,764	-0-
Site Improvements	2,989,423	3,075,018
Building & Bldg. Improvements	45,031,449	43,979,010
Machinery & Equipment	<u>2,818,912</u>	<u>2,436,515</u>
Total	<u>\$ 61,438,548</u>	<u>\$ 59,043,543</u>

Overall capital assets increased \$2,395,005 from fiscal year 2010 to fiscal year 2011. The increase in capital assets is due primarily to construction in progress, building improvements, and machinery and equipment. For more detailed information, please refer to the Notes to the Financial Statements.

Debt Administration

At June 30, 2011 the School District had \$30,970,125 of outstanding debt. Of this amount, \$2,650,125 is for compensated absences; and \$28,320,000 of serial bonds for school construction.

**Table 5
Outstanding Bonded Debt at June 30**

	<u>2011</u>	<u>2010</u>
2003 General obligation bonds	\$ 1,900,000	\$ 21,932,000
2005 Refunding bonds	6,245,000	6,610,000
2010 Refunding bonds	<u>20,175,000</u>	<u> </u>
Total	<u>\$ 28,320,000</u>	<u>\$ 28,542,000</u>

At June 30, 2011, the School District's overall legal debt margin was \$267,052,402. For more detailed information, please refer to the statistical section of the CAFR.

For the Future

The Union School District is in good financial condition. The School District is proud of its community support of the public schools. A major concern is the continued reliance on local property taxes. However, future finances are not without challenges as the community continues to grow and State funding is uncertain.

**UNION SCHOOL DISTRICT
UNION, NJ
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED (CONTINUED)**

In conclusion, the Union School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenge of the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Mr. Manuel E. Vieira, Interim School Business Administrator at Township of Union Board of Education, Administration Building, 2369 Morris Avenue, Union, New Jersey 07083.

Please visit our website at www.townshipunionschools.org

BASIC FINANCIAL STATEMENTS

The basic financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all funds as of June 30, 2011

DISTRICT-WIDE FINANCIAL STATEMENTS

The statement of net assets and the statement of activities display information about the District. These statements include the financial activities of the overall district, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

TOWNSHIP OF UNION SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2011

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
ASSETS:			
Cash and cash equivalents	\$ 20,869,155.09	\$ 2,149,526.47	\$ 23,018,681.56
Receivables, net	8,700,963.69	88,791.68	8,789,755.37
Due from other funds		144,258.69	
Inventory		25,182.37	25,182.37
Restricted assets:			
Restricted cash and cash equivalents	3,420,466.77		3,420,466.77
Capital assets:			
Land and improvements	10,598,764.15		10,598,764.15
Other capital assets net of depreciation	50,839,784.41	239,154.55	51,078,938.96
Total Assets	<u>\$ 94,429,134.11</u>	<u>\$ 2,646,913.76</u>	<u>\$ 96,931,789.18</u>
LIABILITIES:			
Accounts payable	\$ 1,152,599.82	\$ 226,833.55	\$ 1,379,433.37
Due to other funds	144,258.69		
Payable to state government	3,598.64		3,598.64
Deferred revenue	1,266,816.42	8,861.31	1,275,677.73
Bond Interest Payable	255,029.69		255,029.69
Noncurrent liabilities:			
Due within one year:			
Bonds payable	1,445,000.00		1,445,000.00
Due beyond one year:			
Compensated absences payable	2,650,125.00		2,650,125.00
Bonds payable	25,857,000.00		25,857,000.00
Total liabilities	<u>\$ 32,774,428.26</u>	<u>\$ 235,694.86</u>	<u>\$ 32,865,864.43</u>
NET ASSETS:			
Invested in capital assets, net of related debt	\$ 34,136,548.56	\$ 239,154.55	\$ 34,375,703.11
Restricted for:			
Capital projects fund	16,231,280.02		16,231,280.02
Debt service fund	28,809.97		28,809.97
Other purposes	15,100,381.84		15,100,381.84
Unrestricted (deficit)	<u>(3,842,314.54)</u>	<u>2,172,064.35</u>	<u>(1,670,250.19)</u>
Total net assets	<u>\$ 61,654,705.85</u>	<u>\$ 2,411,218.90</u>	<u>\$ 64,065,924.75</u>

See accompanying notes to financial statements.

TOWNSHIP OF UNION SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
JUNE 30, 2011

Functions/Programs	Expenses	Charges for Services	Programs Revenues Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets		
				Governmental Activities	Business-type Activities	Total
Governmental activities:						
Instruction:						
Regular	\$ 52,376,918.86	\$	3,883,276.37	\$ (48,493,642.49)	\$	\$ (48,493,642.49)
Special	10,439,297.04		708,886.59	(9,730,410.45)		(9,730,410.45)
Other Instruction	5,043,022.30		231,458.36	(4,811,563.94)		(4,811,563.94)
Support services:						
Tuition	8,628,490.76			(8,628,490.76)		(8,628,490.76)
Student & instruction related services	14,750,834.05		748,793.20	(14,002,040.85)		(14,002,040.85)
General and business administrative services	2,984,890.34		226,379.34	(2,758,511.00)		(2,758,511.00)
School administrative services	7,198,559.12		608,031.69	(6,590,527.43)		(6,590,527.43)
Plant operations and maintenance	10,385,492.69		609,482.84	(9,776,009.85)		(9,776,009.85)
Pupil transportation	4,671,127.84		161,077.61	(4,510,050.23)		(4,510,050.23)
Business and other support services	289,093.28		78,362.08	(210,731.20)		(210,731.20)
Interest on long-term debt:	1,041,967.64		125,610.00	(916,347.64)		(916,347.64)
Total governmental activities	\$ 117,809,683.92	\$	7,381,358.08	\$ (110,428,325.84)	\$	\$ (110,428,325.84)
Business-type activities:						
Food service:						
Total business-type activities	\$ 2,997,204.57	\$ 1,563,825.51	\$ 1,420,418.31	\$ (12,960.75)	\$	\$ (12,960.75)
Total primary government	\$ 120,806,888.49	\$ 1,563,825.51	\$ 8,801,776.39	\$ (110,428,325.84)	\$	\$ (110,441,286.59)
General Revenues:						
Taxes:						
Property taxes, levied for general purposes, net				\$ 75,443,054.00	\$	\$ 75,443,054.00
Taxes levied for debt service				1,832,700.00		1,832,700.00
Federal and state aid not restricted				28,388,190.50		28,388,190.50
Federal and state aid restricted				9,628,500.31		9,628,500.31
Miscellaneous income				1,028,605.14	4,794.04	1,033,399.18
Net gain on sale of fixed asset				13,858.78		13,858.78
Total general revenues and special items				\$ 116,334,908.73	\$ 4,794.04	\$ 116,339,702.77
Change in net Assets				5,906,582.89	(8,166.71)	5,898,416.18
Net Assets - beginning				55,748,122.96	2,419,385.61	58,167,508.57
Net Assets ending				\$ 61,654,705.85	\$ 2,411,218.90	\$ 64,065,924.75

See accompanying notes to financial statements.

MAJOR FUND FINANCIAL STATEMENTS

The Individual Fund financial statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

TOWNSHIP OF UNION SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011

	<u>GENERAL</u> <u>FUND</u>	<u>SPECIAL</u> <u>REVENUE</u> <u>FUND</u>	<u>CAPITAL</u> <u>PROJECTS</u> <u>FUND</u>	<u>DEBT</u> <u>SERVICE</u> <u>FUND</u>	<u>TOTAL</u> <u>GOVERNMENTAL</u> <u>FUNDS</u>
ASSETS:					
Cash and Cash Equivalents	\$ 8,648,467.57		\$ 11,936,877.18	\$ 283,810.34	\$ 20,869,155.09
Cash, Capital Reserve	3,420,466.77				3,420,466.77
Other Receivables	14,425.66				14,425.66
Interfund Receivables	1,383,762.45			29.32	1,383,791.77
Receivables from Other Governments	<u>211,178.61</u>	<u>2,675,358.71</u>	<u>5,800,000.71</u>		<u>8,686,538.03</u>
Total Assets	\$ <u>13,678,301.06</u>	\$ <u>2,675,358.71</u>	\$ <u>17,736,877.89</u>	\$ <u>283,839.66</u>	\$ <u>34,374,377.32</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 1,088,918.62	\$ 63,681.20		\$	\$ 1,152,599.82
Interfund Payables	144,258.69	1,383,762.45	29.32		1,528,050.46
Payable to State Government		3,598.64			3,598.64
Deferred Revenue	<u>42,500.00</u>	<u>1,224,316.42</u>			<u>1,266,816.42</u>
Total Liabilities	\$ <u>1,275,677.31</u>	\$ <u>2,675,358.71</u>	\$ <u>29.32</u>	\$	\$ <u>3,951,065.34</u>
Fund Balances:					
Restricted for:					
Excess Surplus - current year	7,179,107.02				7,179,107.02
Capital Reserve Account	3,420,466.77				3,420,466.77
Maintenance Reserve	250,000.00				250,000.00
Emergency Reserve	1,000,000.00				1,000,000.00
Debt Service				283,839.66	283,839.66
Capital Purposes			16,231,280.02		16,231,280.02
Committed to:					
Designated for Subsequent Years Expenditures	949,909.00				949,909.00
Year End Encumbrances			1,505,568.55		1,505,568.55
Assigned to:					
Year End Encumbrances	795,330.50				795,330.50
Unassigned to:					
General fund	<u>(1,192,189.54)</u>				<u>(1,192,189.54)</u>
Total Fund Balances	\$ <u>12,402,623.75</u>	\$	\$ <u>17,736,848.57</u>	\$ <u>283,839.66</u>	\$ <u>30,423,311.98</u>
Total Liabilities and Fund Balances	\$ <u>13,678,301.06</u>	\$ <u>2,675,358.71</u>	\$ <u>17,736,877.89</u>	\$ <u>283,839.66</u>	

Amounts reported for governmental activities in the statement of net assets (a-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of assets is \$91,917,338.60 and the accumulated depreciation is \$30,478,790.4 61,438,548.56

Accrued interest on serial bonds and capital leases are not due and payable in the current period and therefore are not reported as liabilities in the funds (255,029.69)

Long term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see note 4) (29,952,125.00)

Net assets of governmental activities \$ 61,654,705.85

See accompanying notes to financial statements.

TOWNSHIP OF UNION SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Local sources:					
Local Tax Levy	\$ 75,443,054.00	\$	\$	\$ 1,832,700.00	\$ 77,275,754.00
Tuition	211,139.46				211,139.46
Transportation Fees	9,345.00				9,345.00
Interest on Capital Reserve	31,661.22				31,661.22
Miscellaneous	660,027.39	103,099.06	538.00	12,795.01	776,459.46
Total - Local Sources	\$ 76,355,227.07	\$ 103,099.06	\$ 538.00	\$ 1,845,495.01	\$ 78,304,359.14
State Sources	\$ 35,397,432.08	\$ 293,703.36	\$ 5,259,907.00	\$ 125,610.00	\$ 41,076,652.44
Federal Sources	246,506.50	4,074,889.95			4,321,396.45
Total Revenues	\$ 111,999,165.65	\$ 4,471,692.37	\$ 5,260,445.00	\$ 1,971,105.01	\$ 123,702,408.03
EXPENDITURES:					
Current expense:					
Regular Instruction	\$ 35,225,495.32	\$ 2,700,360.23	\$	\$	\$ 37,925,855.55
Special Education Instruction	7,829,276.09				7,829,276.09
Other Instruction	3,972,437.25				3,972,437.25
Support Services:					
Tuition	8,628,490.76				8,628,490.76
Student & Instruction related Services	10,367,005.82	1,671,497.14			12,038,502.96
General and Business Administrative Services	2,184,278.49				2,184,278.49
School Administrative Services	5,114,441.38				5,114,441.38
Plant Operations and Maintenance	8,116,213.65				8,116,213.65
Pupil Transportation	4,071,888.65				4,071,888.65
Unallocated Benefits	25,622,615.07				25,622,615.07
Debt Service:					
Principal				1,240,000.00	1,240,000.00
Interest				1,078,846.70	1,078,846.70
Capital outlay	2,768,377.70	99,835.00	1,529,135.48		4,397,348.18
Total expenditures	\$ 113,900,520.18	\$ 4,471,692.37	\$ 1,529,135.48	\$ 2,318,846.70	\$ 122,220,194.73
Excess (deficiency) of revenues over (under) expenditures	\$ (1,901,354.53)	\$	\$ 3,731,309.52	\$ (347,741.69)	\$ 1,482,213.30
Other financing sources (uses):					
Transfers in			12,000,000.00	572,702.00	12,572,702.00
Transfers (out)	(12,000,000.00)		(672,702.00)		(12,572,702.00)
Total other financing sources (uses)	\$ (12,000,000.00)	\$	\$ 11,427,298.00	\$ 572,702.00	\$
Net change in fund balances	\$ (13,901,354.53)	\$	\$ 15,158,607.52	\$ 224,960.31	\$ 1,482,213.30
Fund balances, June 30, 2010	\$ 26,303,978.28	\$ -0-	\$ 2,578,241.05	\$ 58,879.35	\$ 28,941,098.68
Fund balances, June 30, 2011	\$ 12,402,623.75	\$ -0-	\$ 17,736,848.57	\$ 283,839.66	\$ 30,423,311.98

See accompanying notes to financial statements.

TOWNSHIP OF UNION SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Total net change in fund balances - governmental funds (from B-2)	\$	1,482,213.30
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period</p>		
Depreciation expense	\$	(2,016,201.43)
Gain on Sale of Fixed Asset		13,858.78
Capital outlays		<u>4,397,348.18</u>
		2,395,005.53
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.		1,240,000.00
In the statement of activities, interest on long-term debt is accrued, regardless of when due. In governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.		36,889.06
In the statement of activities, certain expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		<u>752,475.00</u>
Change in net assets of governmental activities	\$	<u><u>5,906,582.89</u></u>

See accompanying notes to financial statements.

OTHER FUNDS

TOWNSHIP OF UNION SCHOOL DISTRICT
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS</u>
ASSETS:	
Current assets:	
Cash	\$ 2,149,526.47
Accounts receivable:	
State	4,573.34
Federal	84,218.34
Interfunds	144,258.69
Inventories	<u>25,182.37</u>
Total current assets	\$ <u>2,407,759.21</u>
Non Current assets:	
Equipment	\$ 1,100,839.00
Accumulated depreciation	<u>(861,684.45)</u>
Total non current assets	\$ <u>239,154.55</u>
Total Assets:	\$ <u><u>2,646,913.76</u></u>
LIABILITIES:	
Current liabilities:	
Deferred revenue	\$ 8,861.31
Accounts payable	<u>226,833.55</u>
Total Liabilities	\$ <u>235,694.86</u>
NET ASSETS:	
Investment in Capital Assets	\$ 239,154.55
Unrestricted	<u>2,172,064.35</u>
Total Net Assets	\$ <u><u>2,411,218.90</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF UNION SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS</u>
OPERATING REVENUES:	
Local sources:	
Daily sales-reimbursable programs:	
School lunch program	\$ 1,559,367.00
Daily sales non-reimbursable programs:	
Special functions	<u>4,458.51</u>
Total operating revenue	<u>\$ 1,563,825.51</u>
OPERATING EXPENSES:	
Cost of sales	\$ 1,066,044.10
Labor costs	1,249,218.98
Management fees	78,004.73
Supplies and materials	492,439.03
Repairs and other expenses	48,062.16
Depreciation	<u>63,435.57</u>
Total operating expenses	<u>\$ 2,997,204.57</u>
Operating (Loss)	<u>\$ (1,433,379.06)</u>
Nonoperating revenues:	
State sources:	
State school lunch program	\$ 37,981.71
Federal sources:	
National school lunch program	1,190,353.66
Food distribution commodities program	192,082.94
Interest revenue	<u>4,794.04</u>
Total nonoperating revenues (expenses)	<u>1,425,212.35</u>
Net Income/(Loss)	\$ (8,166.71)
Total net assets- beginning	<u>2,419,385.61</u>
Total net assets- ending	<u>\$ 2,411,218.90</u>

See accompanying notes to financial statements.

TOWNSHIP OF UNION SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS</u>
Cash flows from operating activities:	
Receipts from customers	\$ 1,563,825.51
Payments for labor	(1,121,195.75)
Payments to suppliers	(1,650,539.06)
Interfunds	<u>(144,258.69)</u>
Net cash provided by (used for) operating activities	\$ <u>(1,352,167.99)</u>
Cash flows from noncapital financing activities:	
State Sources	\$ 38,243.65
Federal Sources	<u>1,194,658.90</u>
Net cash provided by (used for) noncapital financing activities	\$ <u>1,232,902.55</u>
Cash flows from capital and related financing activities:	
Purchases of capital assets	<u>(30,283.97)</u>
Net cash provided by (used for) capital and or related financing activities	\$ <u>(30,283.97)</u>
Cash flows from investing activities:	
Interest on Investments	\$ <u>4,794.04</u>
Net cash provided by (used for) investing activities	\$ <u>4,794.04</u>
Net decrease in cash and cash equivalents	\$ (144,755.37)
Cash and cash equivalents, June 30, 2010	<u>2,294,281.84</u>
Cash and cash equivalents, June 30, 2011	\$ <u><u>2,149,526.47</u></u>
 Cash flows from operating activities:	
Operating (loss)	\$ (1,433,379.06)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:	
Depreciation	63,435.57
Federal commodities	192,082.94
Change in assets and liabilities:	
(Increase) Decrease in inventory	2,101.01
(Increase) Decrease in interfunds	(144,258.69)
Increase (Decrease) in deferred revenue	(18,422.07)
Increase (Decrease) in accounts payable	<u>(13,727.69)</u>
Net cash provided (used) by operating activities	\$ <u>(1,352,167.99)</u>

See accompanying notes to financial statements.

TOWNSHIP OF UNION SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2011

	<u>STATE UNEMPLOYMENT INSURANCE</u>	<u>PRIVATE PURPOSE AWARD FUND</u>	<u>AGENCY FUNDS</u>	<u>ESCROW DEPOSITS</u>
ASSETS:				
Cash and investments	\$ 993,873.53	\$ 52,689.78	\$ 2,771,676.27	\$ 26,071.78
Due from Payroll Agency	<u>219,430.49</u>			
Total assets	\$ <u>1,213,304.02</u>	\$ <u>52,689.78</u>	\$ <u>2,771,676.27</u>	\$ <u>26,071.78</u>
LIABILITIES:				
Liabilities:				
Payroll deductions & withholdings	\$	\$	\$ 2,373,230.28	\$
Due to student groups			179,015.50	
Due to state unemployment Insurance			<u>219,430.49</u>	
Total liabilities	\$	\$	\$ <u>2,771,676.27</u>	\$
NET ASSETS:				
Held in trust for unemployment Claims and other purposes	\$ 1,213,304.02	\$ 29,000.00	\$	\$ 26,071.78
Reserved for awards		<u>23,689.78</u>		
Total net assets	\$ <u>1,213,304.02</u>	\$ <u>52,689.78</u>	\$ <u>-0-</u>	\$ <u>26,071.78</u>

See accompanying notes to financial statements.

TOWNSHIP OF UNION SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>STATE UNEMPLOYMENT INSURANCE</u>	<u>PRIVATE PURPOSE AWARD FUND</u>	<u>ESCROW DEPOSITS</u>
ADDITIONS:			
Contributions:	\$ 99,963.58	\$ 2,930.00	\$
Investment earnings:			
Interest	\$ 8,580.22	\$ 125.31	\$ 26.04
Net investment earnings	\$ 8,580.22	\$ 125.31	\$ 26.04
Total additions	\$ 108,543.80	\$ 3,055.31	\$ 26.04
DEDUCTIONS:			
Scholarships awarded	\$	\$ 8,599.24	\$
Unemployment claims	169,984.60		
Total deductions	\$ 169,984.60	\$ 8,599.24	\$
Change in net assets	(61,440.80)	(5,543.93)	26.04
Net assets beginning of year	1,274,744.82	\$ 58,233.71	\$ 26,045.74
Net assets end of year	\$ 1,213,304.02	\$ 52,689.78	\$ 26,071.78

See accompanying notes to financial statements.

Township of Union School District
Notes to the Financial Statements
June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Township of Union School District have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

Reporting Entity

The Township of Union School District is a Type II District located in Union County, New Jersey. The School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The District consists of elected officials. These officials are responsible for the fiscal control of the District. A Superintendent is appointed by the Board and is responsible for the administrative control of the District.

The primary criterion for including activities within the District's reporting entity, are set forth in Statement No. 39 of the Governmental Accounting Standards Board entitled "*Determining Whether Certain Organizations are Component Units*" (GASB 39) as codified in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

Organizations that are legally separate, tax-exempt entities and that meet *all* of the following criteria should be discretely presented as component units. These criteria are:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government.
2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources of the organization.
3. The economic resources received or held by an *individual organization* that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include seven elementary schools, two middle schools and a high school. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

Township of Union School District
Notes to the Financial Statements
June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation, Basis of Accounting

The District's basic financial statements consist of District-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Basis of Presentation

District-wide Statements: The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish generally between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of net assets presents the financial condition of the governmental and business-type activity of the District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as generally revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements: During the fiscal year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

Township of Union School District
Notes to the Financial Statements
June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Types

General Fund - The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay subfund.

As required by the New Jersey State Department of Education, the District includes budgeted Capital outlay in this fund. U.S. Generally accepted accounting principles as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus, the Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted or committed to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

Debt Service Fund - The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Township of Union School District
Notes to the Financial Statements
June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Proprietary Fund

Enterprise Fund - The enterprise fund accounts for all revenues and expenses pertaining to cafeteria operations. The food service fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges. The district also considers the operations of the CAST as an enterprise fund.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method.

Fiduciary Fund Types

Agency Funds - The agency funds are used to account for assets held by the District on behalf of outside parties, including other governments, or on behalf of other funds within the District. The agency funds included in this category are as follows:

Payroll and Student Activities Funds - These are agency funds used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

Private Purpose Trust Funds - A trust fund used to account for assets donated by individuals that will provide for the payment of awards and scholarships to district students.

Unemployment Insurance Trust Fund - A trust fund used to account for assets to finance the costs of unemployment compensation claims as they arise.

Township of Union School District
Notes to the Financial Statements
June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting – Measurement Focus

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

Districtwide, Proprietary, and Fiduciary Fund Financial Statements: The Districtwide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available.

The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transactions can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

All governmental and business type activities and enterprise funds of the District follow FASB Statements and Interpretations issued on or before November 30, 1989, Account Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

Township of Union School District
Notes to the Financial Statements
June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments and transfers must be approved by School Board resolution. There was a budget amendment during the year ended June 30, 2011 in the amount of \$120,316.64.

All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial records.

Township of Union School District
Notes to the Financial Statements
June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Encumbrance Accounting

Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund and capital projects fund for which the District has received advances are reflected in the balance sheet as deferred revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

Interfunds

Interfund receivables and payables arise from transactions between particular funds and are considered short term in duration. The Interfund transactions are recorded by all funds affected in the period in which the transactions are executed and are part of the district's available spendable resources.

Inventories and Prepaid Expenses

Inventories of materials and supplies held for consumption in the governmental funds are recorded as expenditures at the time of purchase and year end balances are not reported in the financial statements.

Inventories of food and/or supplies in the food service fund are recorded at cost on a first-in, first-out basis or, in the case of Food Distribution Commodities, at stated value which approximates market.

Prepaid expenses which benefit future period, other than those recorded in the enterprise fund, are recorded as an expenditure in the year of purchase.

Township of Union School District
Notes to the Financial Statements
June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

The District has an established formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated in the district-wide statements using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Buildings	50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office & Computer Equipment	5-10
Instructional Equipment	10
Grounds Equipment	15

Compensated Absences

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences." A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with employee after fifteen years of service.

Township of Union School District
Notes to the Financial Statements
June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences (Continued)

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave and vacation days that are expected to become eligible for payment upon termination. The district estimates its accrued compensated absences liability based on the accumulated sick and vacation days at the balance sheet date by those employees who are currently eligible to receive termination payments.

For the District-wide statements of net assets, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the fund financial statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

Fund Equity

Fund balance reserves are used to indicate that portion of the fund balance that is not available for expenditures or is legally segregated for a specific future use. Designation of portions of the fund balances are established to indicate tentative plans for financial utilization in a future period. The unreserved fund balances represent the amount available for future budgetary operations.

Unrestricted retained earnings represents the remains of the District's equity in the cumulative earnings of the proprietary funds.

Deferred Revenue

Deferred revenue in the special revenue and capital projects funds represents funds which have been received but not yet earned. A corresponding accounts receivable has also been established for any open encumbrances at year end which is allowable under generally accepted accounting principles.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

Township of Union School District
Notes to the Financial Statements
June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Balance Reserves

In fiscal year 2011, the District implemented GASB Statement 54, "Fund Balance Reporting and Governmental Fund Type Definitions". This statement modifies fund balance reporting and clarifies fund type definitions. This new Statement aims to enhance the usefulness of fund balance information by providing clearer fund balance clarifications that can be applied more consistently.

The restricted fund balance classification includes amounts that are subject to externally enforceable legal restriction such as by constitutional provision, enabling legislation or other government imposed restrictions. The committed fund balance classification includes amounts constrained for a specific purpose by a government using its highest decision-making authority. The assigned fund balance classification includes amounts for all funds, other than the general fund with any remaining positive balances not already classified as restricted or committed. For the general fund, amounts constrained with the intent to be used for a specific purpose by the governing board or an official delegated authority by the board. The unassigned fund balance classification includes for the general fund, amounts not classified as restricted, committed or assigned. The general fund is the only fund that will report a positive unassigned fund balance. For all other governmental funds the amount of a residual deficit would be classified as unassigned. Fund balance restrictions have been established for excess surplus, excess surplus-designated for subsequent year's expenditures, capital reserve, maintenance and emergency reserve.

Revenues – Exchange and Nonexchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Township of Union School District
Notes to the Financial Statements
June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues – Exchange and Nonexchange Transactions (Continued)

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year end: property taxes available as an advance, interest, and tuition.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the District, these revenues are sales in the Enterprise Funds. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

Allocation of Indirect Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of the program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities.

Township of Union School District
Notes to the Financial Statements
June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Extraordinary and Special Items

Extraordinary items are transactions or events that are unusual in nature and infrequent of occurrence. Special items are transactions or events that are within control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

The Board considers petty cash, change funds, cash in banks, deposits in the New Jersey Cash Management Fund, and short-term investments with original maturities of three months or less as cash and cash equivalents. Investments are stated at cost, which approximates market.

Deposits

New Jersey statutes permit the deposit of public funds in public depositories which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a Banking Institution that is a member of the Federal Reserve System, and has capital funds of not less than \$25,000,000.00. Under (GUDPA), if a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of the deposits to the governmental unit.

Investments

The purchase of investments by the Board is strictly limited by the express authority of the N.J.S.A. 18A:20-37 Education, Administration of School Districts. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;

Township of Union School District
Notes to the Financial Statements
June 30, 2011

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments (Continued)

2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by School Districts.
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or

Township of Union School District
Notes to the Financial Statements
June 30, 2011

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments (Continued)

8. Agreements for the repurchase of fully collateralized securities if:
- a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and;
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

As of June 30, 2011, the District had no investments outstanding. Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices, the District is not generally exposed to credit risks and interest rate risks for its investments, nor is it exposed to foreign currency risk for its deposits and investments.

As of June 30, 2011 cash and cash equivalents of the District consisted of the following:

	<u>CASH AND CASH EQUIVALENTS</u>
Checking Accounts	\$ 30,231,980.82
Certificates of Deposit	50,306.49
Savings Accounts	<u>1,172.38</u>
	<u>\$ 30,283,459.69</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The District does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of June 30, 2011, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank of \$30,283,459.69, \$501,490.44 was covered by Federal Depository Insurance and \$2,978,969.25 was covered under the provisions of NJGUDPA.

Township of Union School District
Notes to the Financial Statements
June 30, 2011

NOTE 3: CHANGE IN CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011 was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending</u> <u>Balance</u>
Governmental activities:				
Capital assets that are not being depreciated:				
Land	\$ 9,553,000.00	\$	\$	\$ 9,553,000.00
Construction in Progress		1,045,764.15		1,045,764.15
Total capital assets not being depreciated	<u>9,553,000.00</u>	<u>1,045,764.15</u>	<u>0.00</u>	<u>10,598,764.15</u>
Site Improvements	3,336,390.19	59,682.59		3,396,072.78
Building and Building Improvements	67,695,375.56	2,468,430.08		70,163,805.64
Machinery and Equipment	6,940,024.67	823,471.36	(4,800.00)	7,758,696.03
Totals at historical cost	<u>\$ 77,971,790.42</u>	<u>\$ 3,351,584.03</u>	<u>\$ (4,800.00)</u>	<u>\$ 81,318,574.45</u>
Total Gross Assets (Memo Only)	<u>\$ 87,524,790.42</u>	<u>\$ 4,397,348.18</u>	<u>\$ (4,800.00)</u>	<u>\$ 91,917,338.60</u>
Less: Accumulated Depreciation for:				
Site Improvements	(261,372.67)	(145,277.50)		(406,650.17)
Building and Building Improvements	(23,716,365.16)	(1,430,170.03)	14,178.78	(25,132,356.41)
Machinery and Equipment	(4,503,509.56)	(440,753.90)	4,480.00	(4,939,783.46)
	<u>\$ (28,481,247.39)</u>	<u>\$ (2,016,201.43)</u>	<u>\$ 18,658.78</u>	<u>\$ (30,478,790.04)</u>
Total Capital Assets being depreciated, net of accumulated depreciation	<u>49,490,543.03</u>	<u>1,335,382.60</u>	<u>13,858.78</u>	<u>50,839,784.41</u>
Governmental activities capital assets, net	<u>\$ 59,043,543.03</u>	<u>\$ 2,381,146.75</u>	<u>\$ 13,858.78</u>	<u>\$ 61,438,548.56</u>
Business-type activities:				
Machinery and Equipment	\$ 1,070,555.03	\$ 30,283.97	\$	\$ 1,100,839.00
Less: Accumulated Depreciation for:	(798,248.88)	(63,435.57)		(861,684.45)
	<u>\$ 272,306.15</u>	<u>\$ (33,151.60)</u>	<u>\$</u>	<u>\$ 239,154.55</u>

Township of Union School District
Notes to the Financial Statements
June 30, 2011

NOTE 3: CHANGE IN CAPITAL ASSETS (CONTINUED)

Depreciation Expense was charged to governmental expenses as follows:

Instruction:	
Regular	\$ 1,140,565.15
Special	180,248.41
Other Instruction	277,227.70
Support services:	
Student & instruction related services	145,771.36
General and business administrative services	24,597.66
Plant operations and maintainance	180,046.79
Pupil transportation	47,179.11
Business and Other Suport Services	20,565.25
	<hr/>
	\$ 2,016,201.43
	<hr/> <hr/>

NOTE 4: LONG-TERM DEBT

Bonds are issued by the District pursuant to the provisions of Title 18A, Education, of the New Jersey Statutes and are required to be approved by the voters of the municipality through referendum. The proceeds of bonds are recorded in the Capital Projects Fund and are restricted to the use for which they were approved in the bond referendum. All bonds are retired in annual installments within the statutory period of usefulness.

School Bonds issued by the District are entitled to and benefit from the provision of the New Jersey School Board Reserve Act P.L. 1980 c.72. Basically, funds are held by the State of New Jersey within its State Fund for the Support of Free Public Schools as a school bond reserve pledged by law to secure payment of principal and interest due on such bonds in the event of the inability of the issuer to make payments.

Township of Union School District
Notes to the Financial Statements
June 30, 2011

NOTE 4: LONG-TERM DEBT (CONTINUED)

The following is a summary of changes in liabilities that effect other long-term obligations for the year ended June 30, 2011:

	<u>Bonds</u>	<u>Compensated</u>	
	<u>Payable</u>	<u>Absences</u>	<u>Total</u>
		<u>Payable</u>	
Balance, June 30, 2010	\$28,542,000.00	\$3,402,600.00	\$31,944,600.00
Additions	20,175,000.00		20,175,000.00
Reductions	<u>20,397,000.00</u>	<u>752,475.00</u>	<u>21,149,475.00</u>
Balance, June 30, 2011	<u>\$28,320,000.00</u>	<u>\$2,650,125.00</u>	<u>\$30,970,125.00</u>
Unamortized Balance of Refunding Bonds	<u>(\$1,018,000.00)</u>		<u>(\$1,018,000.00)</u>
Balance, June 30, 2011	<u>\$27,302,000.00</u>	<u>\$2,650,125.00</u>	<u>\$29,952,125.00</u>
Amounts due within one year	<u>\$1,445,000.00</u>		<u>\$1,445,000.00</u>

Township of Union School District
Notes to the Financial Statements
June 30, 2011

NOTE 4: LONG-TERM DEBT (CONTINUED)

Bonds Payable

The annual requirements to amortize all debt outstanding as of June 30, 2011 with interest payments on issued debt, are as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$1,445,000.00	\$1,091,718.75	\$2,536,718.75
2013	1,515,000.00	1,028,443.75	2,543,443.75
2014	1,580,000.00	966,562.50	2,546,562.50
2015	1,640,000.00	910,062.50	2,550,062.50
2016	1,700,000.00	851,512.50	2,551,512.50
2017	1,760,000.00	784,087.50	2,544,087.50
2018	1,835,000.00	707,837.50	2,542,837.50
2019	1,885,000.00	628,787.50	2,513,787.50
2020	1,905,000.00	547,937.50	2,452,937.50
2021	1,930,000.00	466,137.50	2,396,137.50
2022	1,965,000.00	382,887.50	2,347,887.50
2023	1,985,000.00	304,512.50	2,289,512.50
2024	1,515,000.00	230,665.63	1,745,665.63
2025	1,015,000.00	189,450.01	1,204,450.01
2026	1,190,000.00	148,075.01	1,338,075.01
2027	1,175,000.00	107,431.26	1,282,431.26
2028	1,155,000.00	65,934.38	1,220,934.38
2029	1,125,000.00	22,500.00	1,147,500.00
	<u>\$28,320,000.00</u>	<u>\$9,434,543.79</u>	<u>\$37,754,543.79</u>

Township of Union School District
Notes to the Financial Statements
June 30, 2011

NOTE 4: LONG-TERM DEBT (CONTINUED)

School and refunding bonds payable with their outstanding balances are comprised of the following individual issues:

<u>Issue</u>	<u>Amount Outstanding June 30, 2011</u>	<u>Bonds Authorized But Not Issued</u>
\$25,557,000.00 in School Bonds dated August 15, 2003, due in remaining annual installments ranging between \$925,000.00 and \$975,000.00 beginning August 15, 2011 and ending August 15, 2012 with interest at 4.75%	\$1,900,000.00	\$-0-
\$8,080,000.00 in Refunding School Bonds, Series 2010 dated April 2, 2005, due in remaining annual installments ranging between \$385,000.00 and \$690,000.00 beginning January 1, 2012 and ending January 1, 2023 with interest from 4.00% to 5.00%	6,245,000.00	-0-
\$20,175,000.00 in Refunding School Bonds dated November 11, 2010, due in remaining annual installments ranging between \$135,000.00 and \$1,330,000.00 beginning August 15, 2011 and ending August 15, 2028 with interest from 2.50% to 5.25%	20,175,000.00	-0-
\$6,712,165 in School Bonds Authorized by a majority of the legal voters on April 20, 2010	<hr/>	<hr/>
	<u>\$28,320,000.00</u>	<u>\$6,712,165.00</u>

Township of Union School District
Notes to the Financial Statements
June 30, 2011

NOTE 4: LONG-TERM DEBT (CONTINUED)

Refunding School Bonds

The district issued \$20,175,000.00 in Refunding School bonds to advance refund \$19,157,000.00 of the districts previously issued and outstanding school bonds. The reacquisition price exceeded the net carrying amount by \$1,018,000.00. This amount will be amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued.

Under the escrow agreement, the escrow is irrevocably pledged to the payment of principal and interest on the refunded bonds. As a result, the \$19,157,000.00 of the refunded obligations are considered to be defeased and the liability for those bonds has been removed from the financial statements.

Bonds Authorized But Not Issued

As of June 30, 2011 the District had \$6,712,165.00 in Bonds Authorized but not issued.

NOTE 5: PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Township of Union School District
Notes to the Financial Statements
June 30, 2011

NOTE 5: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provision of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Vesting and Benefit Provisions - The vesting and benefit provisions of PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years).

Vesting and Benefit Provisions - Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provision of the System.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Significant Legislation - Chapter 89, P.L. 2008 - Members of either retirement system who became members before July 1, 2007 may retire at age 55 years of service or at age 60 with any number of years of service without a reduction in the amount of retirement allowance the members receive. There is a reduction in such an allowance if the member is under 55 years of age with 25 years of service. There is also a reduction in an allowance for members of either system who became members on or after July 1, 2007 and who retire between age 55 and 60 with 25 or more year of service.

Township of Union School District
Notes to the Financial Statements
June 30, 2011

NOTE 5: PENSION PLANS (CONTINUED)

Contribution Requirements - The contribution policy is set by N.J.S.A. 43:15A, and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of TPAF (i.e, the State of New Jersey makes the employer contribution on behalf of public school districts.

Three-Year Trend Information by PERS

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2011	\$1,252,902.00	100%	\$1,252,902.40
6/30/2010	975,504.40	100%	975,504.40
6/30/2009	862,814.00	100%	862,814.00

During the fiscal year ended June 30, 2011, 2010 and 2009, the State of New Jersey did not contribute to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$3,906,534.08 during the year ended June 30, 2011 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

NOTE 6: OTHER POST-RETIREMENT BENEFITS

For eligible retired employees, the School District participates in the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 *et seq.*, to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

Township of Union School District
Notes to the Financial Statements
June 30, 2011

NOTE 6: OTHER POST-RETIREMENT BENEFITS (CONTINUED)

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

P.L. 1987, c. 384 and P.L.1990, c. 6 required Teachers Pension and Annuity Fund (TPAF) and Public Employees Retirement System (PERS), respectively, to fund Post Retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on state disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post retirement medical benefits through TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2011, there were 87,288 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62.

Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994 .

The State is also responsible for the cost attributable to P.L. 1992 c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$126.3 million toward Chapter 126 benefits for 14,050 eligible retired members in Fiscal Year 2010.

The State will set the contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the years ended June 30, 2011, 2010 and 2009 were \$4,310,867, \$3,997,984 and \$3,845,517, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

Township of Union School District
Notes to the Financial Statements
June 30, 2011

NOTE 7: LITIGATION

The Board attorney's letter advises that there is no litigation, pending litigation, claims, contingent liabilities, unasserted claims or assessments or statutory violations which involve the Board of Education and which might materially affect the Board's financial position.

NOTE 8: CONTINGENCIES

The Board receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2010-2011 fiscal year were subject to the U.S. OMB A-133 and New Jersey OMB Circular 04-04 which mandates that grant revenues and expenditures be audited in conjunction with the Board's annual audit. Findings and questioned costs, if any, relative to federal and state financial assistance programs will be discussed in the Single Audit Section, Schedule of Findings and Questioned Costs. In addition, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. The Board management does not believe such an audit would result in material amounts of disallowed costs.

NOTE 9: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, and student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

Township of Union School District
Notes to the Financial Statements
June 30, 2011

NOTE 9: RISK MANAGEMENT (CONTINUED)

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The table below is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid, and the ending balance of the District's expendable trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2010-2011	\$ 8,580.22	\$ 99,963.58	\$169,984.06	\$1,213,304.02
2009-2010	\$ 2,753.81	\$ 98,775.74	\$106,962.18	\$1,274,744.82
2008-2009	\$24,374.82	\$ 95,019.93	\$ 43,443.63	\$1,280,177.45

NOTE 10: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2011:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 932,109.64	\$ 144,258.69
Special Revenue Fund		1,383,762.45
Capital projects Fund		29.32
Debt Service Fund	29.32	
Enterprise Fund	144,258.69	
State Unemployment Insurance	219,430.49	
Payroll Agency	\$ _____	\$ 219,430.49
	\$ <u>1,295,828.14</u>	\$ <u>1,747,480.95</u>

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were made.

Township of Union School District
Notes to the Financial Statements
June 30, 2011

NOTE 11: FUND BALANCE APPROPRIATED – BUDGETARY BASIS

General Fund - Of the \$16,413,071.75 General Fund balance at June 30, 2011, \$795,330.50 is assigned to year-end encumbrances; \$3,420,466.77 has been restricted for the Capital Reserve Account; \$250,000.00 is restricted for maintenance, \$1,000,000.00 is restricted for emergencies, \$7,179,107.02 is restricted for excess surplus in accordance with N.J.S.A. 18A:7F-7; \$949,909.00 has been appropriated and included as anticipated revenue for the year ended June 30, 2012 and 2,818,258.46 is unassigned.

Debt Service Fund - Of the \$283,839.66 Debt Service Fund balance at June 30, 2011 the entire \$283,839.66 is restricted for Debt Service.

NOTE 12: DEFICIT FUND BALANCES

The District has a deficit fund balance of \$1,192,189.54 in the General Fund as of June 30, 2011 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No.33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e. if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal year, the school district can not recognize the June state aid payment(s) (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the General and Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative, unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payment (s) of state aid until the following year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of \$1,192,189.54 (is equal to or is less than) the last state aid payment.

Township of Union School District
Notes to the Financial Statements
June 30, 2011

NOTE 13: CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS

In accordance with N.J.S.A.18A:7F-7, as amended by, the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2011 is \$ 7179,107.02.

General Fund Expenditures	\$	113,900,521.18
Increased by:		
Transfer from Capital Reserve to Capital Projects		<u>12,000,000.00</u>
Fiscal Year Ended June 30, 2011	\$	125,900,521.18
Less:		
Reimbursed On Behalf TPAF Pension	\$	3,349,214.00
On Behalf Social Security		<u>3,906,534.08</u>
		<u>7,255,748.08</u>
Adjusted General Expenditures	\$	118,644,773.10
Applicable Excess Surplus Percentage		<u>2.00%</u>
2% of Adjusted 2009-2010 General Fund Expenditures	\$	2,372,895.46
Higher of line above or \$250,000.00		2,372,895.46
Increased by:		
Extraordinary Aid	\$	379,305.00
Non-Public School Transportation Aid		<u>66,058.00</u>
		<u>445,363.00</u>
Maximum Unreserved/ Undesignated Fund Balance	\$	2,818,258.46
Total Unassigned Fund Balance	\$	<u>9,997,365.48</u>
Reserved -Excess Surplus-(June 30, 2011)	\$	<u><u>7,179,107.02</u></u>

Township of Union School District
Notes to the Financial Statements
June 30, 2011

NOTE 14: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Township of Union Board of Education in the amount of \$1,401,000.00 in the 2000-2001 school year for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d) 7, the balance in the account cannot at any time exceed the local costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the year ending June 30, 2011 year is as follows:

Beginning balance July 1, 2010	\$	13,915,405.55
Increased by:		
Transfer In	\$	1,473,400.00
Interest Earnings		<u>31,661.22</u>
		<u>1,505,061.22</u>
Decreased by:		
Transfer out	\$	<u>12,000,000.00</u>
Ending balance June 30, 2011	\$	<u>3,420,466.77</u>

The June 30, 2011 LRFP balance of local support costs of uncompleted capital projects is \$36,923,190.00. The withdrawals from the capital reserve were for use in a DOE approved facilities project, consistent with the district's Long Range Facilities Plan.

NOTE 15: MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by the Township of Union Board of Education in the amount of \$250,000.00 in the 2007-2008 school year for the accumulation of funds for use as maintenance expenditures in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Township of Union School District
Notes to the Financial Statements
June 30, 2011

NOTE 15: MAINTENANCE RESERVE ACCOUNT (CONTINUED)

The maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with EFCFA (N.J.S.A. 18A:7G-9). The passage of S1701 also impacts deposits into maintenance reserve. EFCFA requires that upon the district completion of school facilities project, the district must submit a plan for the maintenance of that facility. The activity of the maintenance reserve for the July 1, 2010 to June 30, 2011 year is as follows:

Beginning balance July 1, 2010 and June 30, 2011	\$ <u>250,000.00</u>
---	----------------------

NOTE 16: EMERGENCY RESERVE ACCOUNT

An emergency reserve account was established by the Township of Union Board of Education in the amount of \$250,000.00 in the 2007-2008 school year for the accumulation of funds for use as emergency expenditures in subsequent fiscal years. The emergency reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The emergency reserve account was created to fund medical expenses in excess of 4%. The emergency reserve account is used to fund unanticipated general fund current expense costs and may be established to supplement the reserve in the district's annual budget or through a transfer by board resolution at year end of any unanticipated revenue and unexpended line item appropriation amounts in accordance with N.J.S.A. 18A:7F-41.

Beginning balance July 1, 2010 and June 30, 2011	\$ <u>1,000,000.00</u>
---	------------------------

NOTE 17: INVENTORY

Inventory in the Food Service Fund at June 30, 2011 consisted of the following:

Food and Supplies	\$ <u>16,321.06</u>
-------------------	---------------------

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

NOTE 18: SUBSEQUENT EVENTS

Issuance of Debt

On September 8, 2011 The Board of Education of the Township of Union issued School Bonds in the amount of \$6,712,000.00.

REQUIRED SUPPLEMENTARY INFORMATION – Part II

BUDGETARY COMPARISON SCHEDULES

TOWNSHIP OF UNION SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2011

	ADOPTED BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 75,443,054.00	\$	\$ 75,443,054.00	\$ 75,443,054.00	\$
Tuition	74,214.00		74,214.00	211,139.46	136,925.46
Transportation Fees				9,345.00	9,345.00
Interest on Capital Reserve	30,000.00		30,000.00	31,661.22	1,661.22
Miscellaneous	750,000.00		750,000.00	660,027.39	(89,972.61)
Total - Local Sources	\$ 76,297,268.00	\$	\$ 76,297,268.00	\$ 76,355,227.07	\$ 57,959.07
State Sources:					
Extraordinary Aid	\$ 969,157.00	\$	\$ 969,157.00	\$ 1,346,462.00	\$ 379,305.00
Categorical Special Education Aid	1,111,908.00		1,111,908.00	4,279,617.00	3,167,809.00
Equalization Aid	25,102,717.00		25,102,717.00	21,935,108.00	(3,167,609.00)
Non- Public Transportation Aid (Non-Budgeted)				66,058.00	66,058.00
On Behalf TPAF Pension Contributions (Non-Budgeted)				3,349,214.00	3,349,214.00
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				3,906,534.08	3,906,534.08
Total - State Sources	\$ 27,183,782.00	\$	\$ 27,183,782.00	\$ 34,884,893.08	\$ 7,701,111.08
Federal Sources:					
Medicaid Reimbursement	\$ 82,621.00	\$	\$ 82,621.00	\$ 126,169.89	\$ 43,568.89
Education Jobs Fund		120,316.61	120,316.61	120,316.61	
	\$ 82,621.00	\$ 120,316.61	\$ 202,937.61	\$ 246,506.50	\$ 43,568.89
Total Revenues	\$ 103,563,671.00	\$ 120,316.61	\$ 103,683,987.61	\$ 111,486,626.65	\$ 7,802,639.04
EXPENDITURES:					
CURRENT EXPENSE:					
Instruction - Regular Programs:					
Salaries of Teachers:					
Preschool	\$ 510,628.00	\$ 23,261.00	\$ 533,789.00	\$ 512,382.06	\$ 21,406.94
Kindergarten	1,506,164.00	(82,322.70)	1,423,841.30	1,383,890.00	40,011.30
Grades 1-5	12,034,792.00	(241,099.38)	11,793,692.62	11,780,498.28	13,224.34
Grades 6-8	7,485,840.00	8,976.35	7,504,816.35	7,489,030.30	15,786.05
Grades 9-12	11,304,364.00	(244,302.53)	11,060,061.47	10,942,159.41	117,902.06
Regular Programs - Home Instruction:					
Salaries of Teachers	127,200.00	52,592.50	179,792.50	178,292.50	1,500.00
Purchased Professional Educational Services	38,550.00	28,599.00	67,149.00	42,295.68	24,853.32
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	114,376.00	551,667.10	666,043.10	661,784.53	4,278.57
Purchased Technical Services	173,055.00	(20,399.06)	152,655.94	132,646.00	20,009.94
Other Purchased Services	289,750.00	13,632.32	302,382.32	286,512.32	15,870.00
General Supplies	1,873,383.00	52,167.67	1,725,550.67	1,362,423.36	363,127.29
Textbooks	652,676.00	(84,209.13)	568,466.87	451,430.22	117,036.65
Other Objects	4,880.00	(0.22)	4,379.78	2,256.64	2,121.14
Total Regular Programs	\$ 35,924,058.00	\$ 58,564.92	\$ 35,982,622.82	\$ 35,225,495.32	\$ 757,127.60
Special Education:					
Cognitive - Moderate:					
Salaries of teachers	\$ 98,159.00	\$	\$ 98,159.00	\$ 98,159.00	\$
Other salaries for instruction	23,314.00		23,314.00	23,314.00	
General supplies	3,037.00		3,037.00	884.55	2,152.45
Total cognitive moderate	\$ 124,510.00	\$	\$ 124,510.00	\$ 122,357.55	\$ 2,152.45

TOWNSHIP OF UNION SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2011

(Continued from prior page)	BUDGET				VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)
	ADOPTED BUDGET	TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	
Learning and/or Language Disabilities:					
Salaries of teachers	\$ 452,320.00	\$ 2,840.00	\$ 455,160.00	\$ 426,609.68	\$ 28,550.31
Other salaries for instruction	142,577.00	(24,801.07)	117,775.93	117,274.00	501.93
General supplies	4,575.00	700.00	5,275.00	2,309.85	2,965.15
Total learning and/or language disabilities	\$ 599,472.00	\$ (21,261.07)	\$ 578,210.93	\$ 546,193.54	\$ 32,017.39
Behavioral disabilities:					
Salaries of teachers	\$	\$ 147,224.32	\$ 147,224.32	\$ 147,224.32	\$
Other salaries for instruction		81,493.50	81,493.50	81,493.50	
General supplies		2,500.00	2,500.00	1,088.68	1,411.32
Total behavioral disabilities	\$	\$ 231,217.82	\$ 231,217.82	\$ 229,806.50	\$ 1,411.32
Multiple disabilities:					
Salaries of teachers	\$ 130,623.00	\$	\$ 130,623.00	\$ 130,623.00	\$
Other salaries for instruction	42,634.00	(6,450.30)	36,183.70	38,183.70	
General supplies	3,600.00		3,600.00	2,955.66	644.34
Total multiple disabilities	\$ 176,857.00	\$ (6,450.30)	\$ 170,406.70	\$ 169,762.36	\$ 644.34
Resource room:					
Salaries of teachers	\$ 5,787,317.00	\$ (152,250.45)	\$ 5,635,066.55	\$ 5,619,445.47	\$ 15,621.08
Other salaries for instruction	374,559.00	39,893.15	414,452.15	414,452.15	
General supplies	17,775.00	(2,500.00)	15,275.00	8,781.76	6,513.24
Textbooks	750.00		750.00	294.63	455.37
Total resource room	\$ 6,180,401.00	\$ (114,857.30)	\$ 6,065,543.70	\$ 6,042,954.01	\$ 22,589.69
Instruction Autism:					
Salaries of teachers	\$ 177,656.00	\$ 4,610.00	\$ 182,266.00	\$ 182,266.00	\$
Other salaries for instruction	140,293.00	(60,500.21)	79,792.79	69,085.20	13,707.59
General supplies	13,875.00	130.00	14,005.00	3,665.66	10,339.34
Total instruction Autism	\$ 331,824.00	\$ (55,760.21)	\$ 276,063.79	\$ 252,016.86	\$ 24,046.93
Preschool disabilities - part-time:					
Salaries of teachers	\$ 181,707.00	\$ (59,993.22)	\$ 124,713.78	\$ 124,705.50	\$ 8.28
Other salaries for instruction	161,228.00	11,545.48	172,773.49	157,404.53	15,368.96
General supplies	9,000.00	851.01	9,851.01	6,125.90	1,725.11
Total preschool disabilities - part-time:	\$ 351,935.00	\$ (44,596.72)	\$ 307,338.28	\$ 289,235.93	\$ 17,102.35
Preschool disabilities - full-time:					
Salaries of teachers	\$ 57,038.00	\$ 57,660.00	\$ 114,698.00	\$ 114,698.00	\$
Other salaries for instruction	19,893.00	39,314.72	59,207.72	59,207.72	
General supplies	2,250.00		2,250.00	2,045.62	204.38
Total preschool disabilities - full-time	\$ 79,179.00	\$ 96,974.72	\$ 176,153.72	\$ 175,949.34	\$ 204.38
Total special education	\$ 7,844,178.00	\$ 85,266.94	\$ 7,929,444.94	\$ 7,829,276.09	\$ 100,168.85
Basic skills/remedial:					
Salaries of teachers	\$ 2,129,743.00	\$ (52,902.47)	\$ 2,076,840.53	\$ 2,030,699.65	\$ 46,140.88
Total basic skills/remedial	\$ 2,129,743.00	\$ (52,902.47)	\$ 2,076,840.53	\$ 2,030,699.65	\$ 46,140.88
Bilingual education:					
Salaries of teachers	\$ 835,621.00	\$	\$ 835,621.00	\$ 488,706.60	\$ 166,914.40
Total bilingual education	\$ 835,621.00	\$	\$ 835,621.00	\$ 488,706.60	\$ 166,914.40
Vocational Programs-Local - Instruction					
General supplies	\$ 21,625.00	\$ 1,328.99	\$ 22,953.99	\$ 18,269.57	\$ 4,684.42
Total Vocational Programs-Local - Instruction	\$ 21,625.00	\$ 1,328.99	\$ 22,953.99	\$ 18,269.57	\$ 4,684.42

TOWNSHIP OF UNION SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2011

(Continued from prior page)	BUDGET				VARIANCE
	ADOPTED BUDGET	TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)
School sponsored cocurricular activities:					
Salaries	\$ 150,763.00	\$ 4,453.44	\$ 155,216.44	\$ 151,635.00	\$ 3,581.44
Supplies and materials	11,475.00	(5,000.00)	6,475.00	2,000.00	4,475.00
Other Objects	84,566.00	(39,324.94)	45,241.06	27,942.64	17,298.42
Total school sponsored cocurricular activities	\$ 246,804.00	\$ (39,871.50)	\$ 206,932.50	\$ 181,577.64	\$ 25,354.86
School sponsored athletics - Instruction:					
Salaries	\$ 356,055.00	\$ 178,555.03	\$ 532,610.03	\$ 531,544.11	\$ 1,065.92
Purchased Services	155,782.00	(33,013.00)	122,769.00	88,905.52	33,863.48
Supplies and Materials	114,811.00		114,811.00	110,016.99	4,794.01
Other Objects	44,520.00	(20,850.00)	23,670.00	15,591.79	8,078.21
Total school sponsored athletics	\$ 671,168.00	\$ 122,692.03	\$ 793,860.03	\$ 746,058.41	\$ 47,801.62
Other Instructional Programs - Instruction					
Salaries	\$ 136,418.00		\$ 136,418.00	\$ 136,418.00	
Total other instructional programs - Instruction	\$ 136,418.00		\$ 136,418.00	\$ 136,418.00	
Before/After School Programs - Instruction:					
Salaries of teachers	\$ 45,000.00	\$ 75,316.64	\$ 120,316.64	\$ 120,316.64	
Other salaries for instruction	10,500.00	(10,500.00)			
Total before/after school programs - instruction	\$ 55,500.00	\$ 64,816.64	\$ 120,316.64	\$ 120,316.64	
Before/After School Programs - Support Services:					
Salaries	\$ 23,100.00	(23,100.00)			
Purchased Professional and Technical Services	68,167.00	57,032.00	126,199.00	65,166.74	61,032.26
Total before/after school programs - support services	\$ 92,267.00	\$ 33,932.00	\$ 126,199.00	\$ 65,166.74	\$ 61,032.26
Other Suppl/At-Risk Programs - Instruction:					
OS/ARP in salaries reading specialists	\$ 109,121.00	\$ 96,103.00	\$ 205,224.00	\$ 205,224.00	
Total other suppl/at-risk programs - Instruction	\$ 109,121.00	\$ 96,103.00	\$ 205,224.00	\$ 205,224.00	
Total - instruction	\$ 47,866,503.00	\$ 368,630.55	\$ 48,236,433.55	\$ 47,027,208.66	\$ 1,209,224.89
Undistributed Expenditures - Instruction:					
Tuition to Other LEA's Within the State-Special	\$ 5,390,070.00	(281,735.44)	5,108,334.56	3,871,679.21	1,236,655.35
Tuition to County Vocational School District-Regular	710,000.00		710,000.00	675,600.00	34,400.00
Tuition to County Vocational School District-Special	140,000.00		140,000.00	72,800.00	67,200.00
Tuition to CSSD and Regional Day Schools	129,150.00	34,000.00	163,150.00	86,633.33	66,516.67
Tuition to Private Schools for the Handicapped Within the State	4,164,595.00	(244,306.20)	3,940,288.80	3,769,285.22	171,003.58
Tuition to Private Schools for the Handicapped Special- Outside the State	89,980.00	(0.25)	89,979.75	58,400.00	31,579.75
Tuition-State Facilities	75,663.00		75,663.00	75,663.00	
Tuition-Other	11,014.00	8,844.00	19,858.00	8,430.00	11,428.00
Total Undistributed Expenditures - Instruction	\$ 10,730,472.00	\$ (468,197.89)	\$ 10,247,274.11	\$ 8,628,480.76	\$ 1,618,783.35
Undistributed Expenditures-Attendance and Social Work Services:					
Salaries	\$ 197,048.00	(14,814.03)	182,233.97	167,284.44	14,949.53
Other Objects	1,832.00	(0.82)	1,831.38	785.40	1,045.98
Total Undistributed Expenditures- Attendance and Social Work Services	\$ 198,880.00	\$ (14,814.85)	\$ 184,085.35	\$ 168,069.84	\$ 15,895.51

TOWNSHIP OF UNION SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2011

(Continued from prior page)	BUDGET				VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)
	ADOPTED BUDGET	TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	
Undistributed Expenditures -Health Services:					
Salaries	\$ 833,584.00	\$ (27,520.00)	\$ 806,064.00	\$ 778,640.56	\$ 27,423.44
Purchased Professional and Technical Services	30,045.00	1,626.00	31,670.00	29,498.41	2,173.59
Other Purchased Services	30,068.00	(1,332.00)	28,724.00	17,713.84	11,010.16
Total Undistributed Expenditures - Health Services	\$ 893,695.00	\$ (27,227.00)	\$ 866,468.00	\$ 825,850.81	\$ 40,607.19
Undistributed Expenditures -Other Support Services - Student Related Services:					
Salaries	\$ 940,215.00	\$ 3,078.75	\$ 943,293.75	\$ 940,318.55	\$ 2,975.20
Purchased Professional - Educational Services	594,225.00	3,200.00	597,425.00	271,889.45	325,755.55
Supplies and materials	13,500.00		13,500.00	12,813.18	686.82
Total Undistributed Expenditures -Other Support Services - Student Related Services:	\$ 1,547,940.00	\$ 6,278.75	\$ 1,554,218.75	\$ 1,224,801.18	\$ 328,417.57
Undistributed Expenditures -Other support services- Students- Extra Services					
Salaries	\$ 455,493.00	\$ 261,898.16	\$ 717,396.16	\$ 677,048.03	\$ 40,350.13
Undistributed Expenditures -Other Support Services - Students - Regular:					
Salaries of other professional staff	\$ 1,896,691.00	\$ (69,018.00)	\$ 1,927,673.00	\$ 1,891,925.40	\$ 35,747.60
Salaries of secretarial and clerical assistants	326,602.00		326,602.00	328,601.88	0.32
Supplies an Materials	1,149.00		1,149.00	1,125.45	23.55
Other objects	11,526.00	(0.20)	11,525.80	8,653.82	2,871.88
Total Undistributed Expenditures -Other Support Services - Students - Regular:	\$ 2,335,968.00	\$ (69,018.20)	\$ 2,266,949.80	\$ 2,228,306.45	\$ 38,643.35
Undistributed Expenditures Other Support Services - Students - Special Services:					
Salaries of other professional staff	\$ 2,340,308.00	\$ (45,381.25)	\$ 2,294,926.75	\$ 2,231,923.00	\$ 63,003.75
Salaries of secretarial and clerical assistants	301,732.00		301,732.00	301,731.60	0.40
Purchased Professional - Educational Services	60,375.00		60,375.00	11,437.50	48,937.50
Supplies an Materials	7,500.00	1,591.42	9,091.42	8,810.81	280.81
Other objects	5,000.00	41.26	5,041.26	2,686.10	2,345.16
Total Undistributed Expenditures Other Support Services - Students - Special Services:	\$ 2,714,915.00	\$ (43,748.57)	\$ 2,671,166.43	\$ 2,556,598.81	\$ 114,567.62
Improvement of instruction services/ other support services-instructional staff:					
Salaries of Supervisor of Instruction	\$ 1,406,000.00	\$ (88,852.16)	\$ 1,317,147.84	\$ 1,263,115.63	\$ 54,032.21
Salaries of other professional staff	40,170.00	3,000.00	43,170.00	33,300.00	9,870.00
Salaries of secretarial and clerical assistants	433,882.00		433,882.00	369,369.56	64,512.44
Other objects	9,227.00	(0.25)	9,226.75	2,571.08	6,655.66
Total improvement of instruction services/ other support services-instructional staff	\$ 1,889,279.00	\$ (85,852.41)	\$ 1,803,426.59	\$ 1,668,356.28	\$ 135,070.31
Educational Media Services/School Library:					
Salaries	\$ 841,874.00	\$ (6,282.91)	\$ 835,591.09	\$ 819,282.00	\$ 16,309.09
Purchased Professional and Technical Services	7,500.00		7,500.00		7,500.00
Supplies and Materials	154,377.00	(24,479.97)	129,897.03	114,844.92	15,052.11
Other objects	13,125.00	20,000.00	33,125.00	28,128.00	3,999.00
Total Educational Media Services/School Library:	\$ 1,016,876.00	\$ (10,762.88)	\$ 1,006,113.12	\$ 963,252.92	\$ 42,860.20
Instructional Staff Training Services:					
Salaries of Other Professional Staff	\$ 18,750.00	\$ 24,760.60	\$ 43,510.60	\$ 32,270.00	\$ 11,240.60
Purchased Professional - Educational Services	57,750.00	(20,222.00)	37,528.00	8,350.00	29,178.00
Other Purchased Services (400-500)	20,250.00	3,645.00	23,895.00	14,103.50	9,791.50
Other objects		6,195.00	6,195.00		6,195.00
Total Instructional Staff Training Services	\$ 96,750.00	\$ 14,378.60	\$ 111,128.60	\$ 54,723.50	\$ 56,405.10

TOWNSHIP OF UNION SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2011

(Continued from prior page)	BUDGET				VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)
	ADOPTED BUDGET	TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	
Support Services-General Administration					
Salaries	\$ 1,109,238.00	\$ (96,148.14)	\$ 1,013,089.86	\$ 982,033.83	\$ 31,056.03
UE SS-GA Salaries of Attorneys	31,200.00		31,200.00	31,200.00	
Legal services	104,000.00	(10,400.00)	93,600.00	88,321.50	5,278.50
Audit Fees	62,250.00	10,400.00	62,850.00	62,650.00	
General Admin	278,107.00	(5,309.34)	273,797.66	116,711.16	157,086.50
Other Purchased Professional services	22,725.00	2,360.00	25,085.00	21,210.11	3,874.89
Purchased Technical Services	30,000.00	20,203.74	50,203.74	48,928.74	1,275.00
Communications/telephone	439,531.00	9,080.48	448,611.48	323,950.45	124,641.03
BOE Other Purchased Services	15,000.00	3,500.00	18,500.00	75.00	18,425.00
Other purchased services	508,275.00	(15,415.22)	492,859.78	427,818.57	65,041.21
General Supplies	68,625.00	(5,636.52)	62,988.48	17,736.42	45,252.06
BOE In-House Training/Meeting Supplies	12,750.00		12,750.00		12,750.00
Judgments against School District	37,600.00		37,600.00	23,970.00	13,630.00
Miscellaneous expenditures	38,280.00	1,080.00	39,360.00	11,560.01	27,799.99
BOE Membership Fees	69,000.00		69,000.00	28,112.70	40,887.30
Total Support Services General Administration	\$ 2,817,451.00	\$ (86,305.00)	\$ 2,731,146.00	\$ 2,184,278.49	\$ 546,867.51
Support Services School Administration:					
Salaries of Principals/Asst. principals	\$ 2,199,850.00	\$ (50,000.00)	\$ 2,149,850.00	\$ 2,037,689.74	\$ 112,160.26
Salaries of Other Professional Staff	511,345.00		511,345.00	491,644.15	19,700.85
Salaries of Secretarial and Clerical Assistants	1,154,370.00	(50,000.00)	1,104,370.00	1,076,360.41	28,009.59
Other Salaries	3,342.00	430.00	3,772.00	3,772.00	
Purchased Professional and Technical Services	6,750.00		6,750.00	3,405.04	3,344.96
Other Purchased Services (400-500)	22,500.00		22,500.00	8,685.72	13,814.28
Supplies and Materials	30,047.00	11,113.06	41,160.06	25,337.13	15,822.93
Other objects	98,025.00	11,047.51	109,072.51	80,783.21	48,289.30
Total Support Services School Administration	\$ 4,026,228.00	\$ (77,409.43)	\$ 3,948,818.57	\$ 3,707,657.40	\$ 241,161.17
Central Services:					
Salaries	\$ 710,218.00	\$ 1,848.50	\$ 711,866.50	\$ 683,302.65	\$ 48,563.85
Purchased Professional Services	17,028.00	12,205.80	29,233.80	22,129.80	7,104.00
Purchased Technical Services	6,000.00		6,000.00	1,890.78	4,309.24
Miscellaneous Purchased Services (400-500)	30,960.00	(14,377.63)	16,582.37	7,091.00	9,491.37
Supplies and materials	22,541.00	(1,205.00)	21,336.00	16,319.68	5,016.32
Miscellaneous Expenditures	4,875.00	1,205.00	6,080.00	6,080.00	
Total Undistributed Expend - Central Servs.	\$ 791,622.00	\$ (523.33)	\$ 791,098.67	\$ 716,613.69	\$ 74,484.78
Undistributed Expend. - Admin. Info. Tech.:					
Salaries	\$ 484,485.00	\$ (487.00)	\$ 483,998.00	\$ 482,044.48	\$ 1,933.52
Purchased Technical Services	235,400.00	8,277.50	243,677.50	163,261.64	80,415.86
Other Purchased Services (400-500)	3,750.00		3,750.00		3,750.00
Supplies and materials	71,052.00		71,052.00	64,863.97	6,188.03
Total Undistributed Expend - Admin. Info. Tech.	\$ 774,687.00	\$ 7,790.50	\$ 782,457.50	\$ 680,170.09	\$ 92,287.41
Required Maintenance for School Facilities:					
Salaries	\$ 912,724.00	\$ 37,440.08	\$ 950,164.08	\$ 887,904.94	\$ 62,259.14
Cleaning, Repair and Maintenance Services	470,149.00	(8,942.19)	461,206.81	285,336.71	165,870.10
General supplies	240,194.00	(11,995.93)	228,198.07	160,308.27	67,889.80
Other Objects	21,008.00	3,455.60	24,463.60	18,837.94	5,525.66
Total Required Maintenance for School Facilities	\$ 1,644,075.00	\$ 19,957.56	\$ 1,664,032.56	\$ 1,332,487.86	\$ 331,544.70

TOWNSHIP OF UNION SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2011

(Continued from prior page)	BUDGET				VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)
	ADOPTED BUDGET	TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	
Other Operations and Maint. of Plant					
Salaries	\$ 3,130,379.00	\$ (42,131.54)	\$ 3,088,247.46	\$ 2,969,530.17	\$ 118,717.29
Salaries - Aides	297,850.00	44,433.95	342,283.95	280,487.99	61,795.96
Purchased Professional and Technical Services	114,570.00	(90,742.79)	23,827.21	16,093.85	7,733.36
Cleaning, Repair and Maint. Services	206,841.00	5,000.02	211,841.02	168,591.08	43,249.94
Other Purchased Property Services	58,890.00	36,129.12	95,009.12	66,830.56	8,378.57
General Supplies	277,473.00	132,661.95	410,134.95	388,705.32	21,429.63
Energy (Natural Gas)	1,003,280.00	(71,977.63)	931,302.37	690,928.81	240,373.56
Energy (Electricity)	1,088,205.00	35,977.61	1,124,182.61	1,124,182.61	
Total Other Operation and Maint. of Plant	\$ 6,177,478.00	\$ 49,350.68	\$ 6,226,828.68	\$ 5,725,151.38	\$ 501,677.31
Care and Upkeep of Grounds:					
Salaries	\$ 416,985.00	\$ (4,772.64)	\$ 412,212.36	\$ 360,387.15	\$ 51,825.21
Cleaning, Repair and Maintenance Services	97,500.00	(15,964.13)	81,535.87	9,466.53	72,069.34
General Supplies	26,624.00	3,293.65	29,917.65	15,628.62	14,289.03
Total Care and Upkeep of Grounds:	\$ 541,109.00	\$ (17,443.12)	\$ 523,665.88	\$ 385,482.30	\$ 138,183.58
Security:					
Salaries	\$ 570,750.00	\$ 93,805.11	\$ 664,555.11	\$ 664,555.11	\$
Purchased Professional and Technical Services	66,067.00	(60,000.00)	6,067.00	5,712.00	355.00
Other Objects		2,825.00	2,825.00	2,825.00	
Total Security	\$ 636,817.00	\$ 36,630.11	\$ 673,447.11	\$ 673,092.11	\$ 355.00
Student Transportation Services:					
Salaries for pupil transportation - aides	\$ 617,131.00	\$	\$ 617,131.00	\$ 336,733.83	\$ 280,397.17
Salaries for pupil transportation (between home and school)-regular	1,437,751.00		1,437,751.00	1,049,836.11	387,914.89
Salaries for pupil transportation (other than between home & school)	50,132.00		50,132.00	10,920.88	39,211.12
Management Fee - ESC & CTSA	72,000.00	3,943.66	75,943.66	74,587.18	1,356.48
Purchased Professional and Technical Services	8,562.00		8,562.00	6,334.74	2,327.26
Cleaning, Repair and Maintenance Services	235,385.00	(4,821.56)	230,563.44	74,287.79	156,475.65
Contracted Services (Other Than Between Home and School)-Vendors	122,022.00	(379.80)	121,642.20	94,241.70	27,400.50
Contracted services (regular students) - ESCs & CTSA	300,000.00		300,000.00	234,060.27	65,939.73
Contracted services (Spl. Ed. students) - ESCs & CTSA	2,400,000.00		2,400,000.00	1,887,784.94	712,235.96
Contracted Services - Aid in Lieu of Payments	420,897.00		420,897.00	290,720.00	130,177.00
General Supplies	119,469.00	1,499.60	120,968.60	89,235.72	31,732.88
Transportation Supplies	202,902.00	713.24	203,615.24	121,299.68	82,315.56
Miscellaneous Expenditures	10,125.00	(263.98)	9,861.02	1,866.74	7,994.28
Total Student Transportation Services	\$ 5,998,476.00	\$ 891.16	\$ 5,997,367.16	\$ 4,071,888.65	\$ 1,925,478.51
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	\$ 1,200,000.00	\$ 27,950.21	\$ 1,227,950.21	\$ 1,214,165.14	\$ 12,885.07
Other Retirement Contributions - PERS	900,000.00	352,902.00	1,252,902.00	1,252,902.00	
Unemployment Compensation		1,550.22	1,550.22	1,550.22	
Workers Compensation	750,000.00	487.00	750,487.00	744,130.57	6,356.43
Health Benefits	14,900,396.00	(488,256.89)	14,412,139.31	13,880,647.30	551,492.01
Tuition Reimbursements	400,000.00		400,000.00	383,815.50	16,184.50
Other Employee Benefits	450,000.00	450,656.26	900,656.26	909,856.26	(9,199.99)
Total Unallocated Benefits - Employee Benefits:	\$ 18,600,396.00	\$ 353,389.00	\$ 18,953,785.00	\$ 18,366,866.99	\$ 586,918.01
On-behalf TPAF Pension Contributions (non-budgeted)	\$	\$	\$	\$ 3,349,214.00	(3,349,214.00)
Reimbursed TPAF Social Security Contributions (non-budgeted)				3,906,534.08	(3,906,534.08)
Total On-Behalf Contributions	\$	\$	\$	\$ 7,255,748.08	(7,255,748.08)
Total Undistributed Expenditures	\$ 63,886,583.00	\$ (165,737.95)	\$ 63,720,845.05	\$ 64,104,933.82	\$ (384,088.77)
TOTAL GENERAL - CURRENT EXPENSE	\$ 111,753,086.00	\$ 204,192.60	\$ 111,957,278.60	\$ 111,132,142.48	\$ 825,136.12

TOWNSHIP OF UNION SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2011

(Continued from prior page)	ADOPTED BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)
CAPITAL OUTLAY:					
Interest Deposit to Capital Reserve	\$ 30,000.00	\$	\$ 30,000.00	\$	\$ 30,000.00
Total increase to Capital Reserve	\$ 30,000.00	\$	\$ 30,000.00	\$	\$ 30,000.00
Equipment:					
Grades 1-5	\$	\$ 22,036.64	\$ 22,036.64	\$	\$ 22,036.64
Grades 6-8		34,471.50	34,471.50	34,471.50	
Grades 9-12		3,538.40	3,538.40	3,538.40	
School- Sponsored and Other Instructional Program	20,700.00	73,400.00	94,100.00	79,550.00	14,550.00
Undistributed Expenditure- Instruction					
Undistributed Expenditure- Support Services Students - Regular		11,747.24	11,747.24	5,600.00	6,147.24
Undistributed Expenditure- Support Services Students - Special	10,000.00		10,000.00	7,472.82	2,527.18
Undistributed Expenditure-Central Services		2,000.00	2,000.00	2,000.00	
Undistributed Expenditure-Admin. Info. Tech.	100,000.00	3,100.00	103,100.00	94,124.76	8,975.24
School Buses Regular	\$	\$ 180,342.52	\$ 180,342.52	\$ 180,342.52	\$
Total Equipment	\$ 130,700.00	\$ 339,636.30	\$ 461,336.30	\$ 407,100.00	\$ 54,236.30
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	\$ 65,000.00	\$ 36,800.00	\$ 101,800.00	\$ 65,200.00	\$ 36,600.00
Other Purchased Professional and Technical Services		1,478,277.00	1,478,277.00	111,830.00	1,364,447.00
Construction services	585,000.00	2,176,551.90	2,761,551.90	2,070,579.70	690,872.20
Other Objects	113,668.00		113,668.00	113,668.00	
Total Facilities Acquis. and Const. Services	\$ 763,668.00	\$ 3,689,628.90	\$ 4,453,296.90	\$ 2,361,277.70	\$ 2,092,019.20
TOTAL CAPITAL OUTLAY	\$ 824,368.00	\$ 4,020,265.20	\$ 4,944,633.20	\$ 2,768,377.70	\$ 2,176,255.50
Transfer of Funds to Charter Schools	\$ 6,770.00	\$ (6,770.00)	\$	\$	\$
Capital Reserve Transfer to Capital Projects	\$ 12,000,000.00	\$	\$ 12,000,000.00	\$ 12,000,000.00	\$
TOTAL EXPENDITURES	\$ 124,686,224.00	\$ 4,215,667.80	\$ 128,901,911.80	\$ 125,900,520.18	\$ 3,001,391.82
Excess (deficiency) of revenues over (under) expenditures	\$ (21,122,553.00)	\$ (4,095,371.19)	\$ (25,217,924.19)	\$ (14,413,893.53)	\$ 10,804,030.66
Fund balances, July 1	\$ 30,826,965.28	\$	\$ 30,826,965.28	\$ 30,826,965.28	\$
Fund balances, June 30	\$ 9,704,412.28	\$ (4,095,371.19)	\$ 5,609,041.09	\$ 16,413,071.75	\$ 10,804,030.66
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				\$ 3,420,466.77	
Maintenance Reserve				250,000.00	
Emergency Reserve				1,000,000.00	
Excess Surplus-Current Year				7,178,107.02	
Committed Fund Balance					
Year-End Encumbrances				795,330.50	
Assigned Fund Balance					
Designated for Subsequent Year's Expenditures				949,909.00	
Unassigned Fund Balance					
				2,818,258.46	
				\$ 16,413,071.75	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				(4,010,448.00)	
Fund Balance per Governmental Funds (GAAP)				\$ 12,402,623.75	

TOWNSHIP OF UNION SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2011

	<u>ADOPTED</u> <u>BUDGET</u>	<u>BUDGET</u> <u>TRANSFERS/</u> <u>AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u> <u>FAVORABLE/</u> <u>(UNFAVORABLE)</u>
REVENUES:					
Federal Sources:					
ARRA- Education Jobs Fund (EJF)	\$	\$ 120,316.64	\$ 120,316.64	\$ 120,316.64	\$
Total Revenues	\$ _____	\$ 120,316.64	\$ 120,316.64	\$ 120,316.64	\$ _____
EXPENDITURES:					
Current Expenses:					
Saturday Academy program:					
Salaries	\$	\$ 111,766.50	\$ 111,766.50	\$ 111,766.50	\$
Employee Benefits TPAF FICA		8,550.14	8,550.14	8,550.14	
	\$ _____	\$ 120,316.64	\$ 120,316.64	\$ 120,316.64	\$ _____
Excess (deficiency) of revenues over (under) expenditures	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

TOWNSHIP OF UNION SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES:					
Federal sources	\$ 3,797,242.00	\$ 1,286,508.73	\$ 5,023,750.73	\$ 4,528,256.73	\$ 495,494.00
State sources	326,251.00	(28,949.00)	297,302.00	293,703.36	3,598.64
Local sources		488,347.27	488,347.27	76,427.06	411,920.21
Total revenues	\$ 4,063,493.00	\$ 1,745,907.00	\$ 5,809,400.00	\$ 4,898,387.16	\$ 911,012.85
EXPENDITURES:					
Instruction:					
Salaries of teachers	\$ 430,000.00	\$ (14,797.15)	\$ 415,202.85	\$ 294,449.43	\$ 120,753.42
Other salaries		0.11	0.11	0.11	
Purchased professional & technical services	247,274.00	(19,463.00)	227,811.00	223,765.00	4,046.00
Other purchased services	545,013.00	778,082.27	1,323,095.27	1,218,979.37	104,115.90
General supplies	1,391,858.00	(276,771.06)	1,115,086.94	1,001,627.49	113,459.45
Textbooks	36,131.00	(4,073.00)	32,058.00	31,952.36	105.64
Other objects		422,974.46	422,974.46	23,369.59	399,604.87
Total instruction	\$ 2,650,276.00	\$ 885,952.63	\$ 3,536,228.63	\$ 2,794,143.35	\$ 742,085.28
Support services:					
Salaries of program directors	\$	\$ 71,251.00	\$ 71,251.00	\$ 40,630.00	\$ 30,621.00
Salaries of other professional staff	349,898.00	(27,960.73)	321,937.27	305,612.41	16,324.86
Salaries of secretarial and clerical assistants	15,000.00	(15,000.00)			
Personal services-employee benefits		134,496.95	134,496.95	111,602.69	22,994.26
Purchased professional and technical services	42,846.00	238,812.65	281,658.65	262,357.64	19,301.01
Purchased professional educational services	999,336.00	19,739.50	1,019,075.50	986,478.00	32,597.50
Other purchased services		25,986.00	25,986.00	18,952.28	7,033.72
Contracted services-transportation (other than between home and school)		8,000.00	8,000.00	850.00	7,150.00
Miscellaneous purchased services		1,500.00	1,500.00	1,195.00	305.00
General supplies	6,137.00	137,619.00	143,956.00	111,413.78	32,542.22
Total support services	\$ 1,413,217.00	\$ 594,844.37	\$ 2,007,861.37	\$ 1,898,991.80	\$ 168,869.57
Facilities acquisition and const. services:					
Instructional equipment	\$	\$ 265,310.00	\$ 265,310.00	\$ 265,252.00	\$ 58.00
Total facilities acquisition and const. services	\$	\$ 265,310.00	\$ 265,310.00	\$ 265,252.00	\$ 58.00
Total expenditures	\$ 4,063,493.00	\$ 1,745,907.00	\$ 5,809,400.00	\$ 4,898,387.16	\$ 911,012.85

TOWNSHIP OF UNION SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
BUDGET TO GAAP RECONCILIATION
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Note A - Explanation of difference between budgetary inflows and outflows
and GAAP Revenues and Expenditures

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 111,486,626.65	\$ 4,898,387.15
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(426,694.78)
State Aid payment recognized for GAAP statements in the current year, previously recognized for budget purposes	4,522,987.00	
State Aid payment recognized for budgetary purposes not recognized for GAAP statements until the subsequent year	(4,010,448.00)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	\$ 111,999,165.65	\$ 4,471,692.37
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 125,900,520.18	\$ 4,898,387.15
Difference - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes but in the year the supplies are received for financial reporting purposes.		(426,694.78)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance - governmental funds	\$ 125,900,520.18	\$ 4,471,692.37

OTHER SUPPLEMENTARY INFORMATION

**SPECIAL REVENUE FUND
DETAIL STATEMENTS**

TOWNSHIP OF UNION SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULES OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	TITLE I PART A	I.D.E.A. PRESCHOOL	I.D.E.A. PART B	I.D.E.A. CARRYOVER	TITLE III	TITLE II PART A	TITLE II PART D	TITLE III ENGLISH LANGUAGE
REVENUES:								
Federal sources	\$ 602,288.67	\$ 51,419.61	\$ 1,669,152.28	\$ 238,546.44	\$ 50,484.92	\$ 235,499.91	\$ 4,761.00	\$ 19,827.75
State sources								
Local sources								
Total revenues	\$ 602,288.67	\$ 51,419.61	\$ 1,669,152.28	\$ 238,546.44	\$ 50,484.92	\$ 235,499.91	\$ 4,761.00	\$ 19,827.75
EXPENDITURES:								
Instruction:								
Salaries of teachers	\$ 125,288.38	\$	\$	\$	\$ 13,000.00	\$ 135,000.00	\$	\$
Other salaries								
Purchased professional & technical services	162,593.00	51,224.00	740,865.49	168,452.94	30,703.92	3,421.54		19,827.75
Other purchased services	120,002.97	195.61	26,478.33					
General supplies								
Textbooks								
Other objects								
Total instruction	\$ 407,864.35	\$ 51,419.61	\$ 773,343.82	\$ 168,452.94	\$ 43,703.92	\$ 138,421.54	\$	\$ 19,827.75
Support services:								
Salaries of program directors	\$ 34,830.00	\$	\$	\$	\$	\$	\$	\$
Salaries of other professional staff	7,898.66		289,581.00					
Salaries of secretarial and clerical assistants								
Personal services-employee benefits	14,531.74		57,933.00		4,550.00	34,128.00		
Purchased professional and technical services	119,607.64				2,231.00	59,050.00	3,250.00	
Purchased professional educational services								
Other purchased services	17,557.28		510,784.50	70,093.50				
Contracted services-transportation (other than between home and school)								
Miscellaneous purchased services			850.00					
General supplies			1,195.00					
			35,464.96					
Total support services	\$ 194,425.32	\$	\$ 895,801.46	\$ 70,093.50	\$ 6,781.00	\$ 97,078.37	\$ 1,471.00	\$
Facilities acquisition and const. services:								
Instructional equipment								
Total facilities acquisition and const. services	\$	\$	\$	\$	\$	\$	\$	\$
Total expenditures	\$ 602,288.67	\$ 51,419.61	\$ 1,669,152.28	\$ 238,546.44	\$ 50,484.92	\$ 235,499.91	\$ 4,761.00	\$ 19,827.75

TOWNSHIP OF UNION SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULES OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

TITLE IV SAFE AND DRUG FREE SCHOOLS	VOCATIONAL EDUCATION	TITLE I SIA	TITLE I ARRA	IDEA - PSH 07-08	IDEA - BASIC ARRA	IDEA - PSCH ARRA
\$ 362.76 \$	34,112.42 \$	27,860.90	191,025.80 \$	7,600.54 \$	1,325,545.38 \$	69,767.35
\$ 362.76 \$	34,112.42 \$	27,860.90 \$	191,025.80 \$	7,600.54 \$	1,325,545.38 \$	69,767.35
EXPENDITURES:						
Instruction:						
Salaries of teachers			16,132.04 \$			
Other salaries						
Purchased professional & technical services			82,243.40	7,600.54	656,300.00	39,625.35
Other purchased services	29,838.42	3,760.90	69,696.69			
General supplies						
Textbooks						
Other objects	2,879.00					
Total instruction	32,717.42 \$	3,760.90 \$	168,072.03 \$	7,600.54 \$	656,300.00 \$	39,625.35
Support services:						
Salaries of program directors			5,800.00 \$			
Salaries of other professional staff			1,032.75		7,100.00	
Salaries of secretarial and clerical assistants						
Personal services-employee benefits			38.02		321.93	
Purchased professional and technical services		24,100.00	16,093.00		405,600.00	
Purchased professional educational services						
Other purchased services	1,995.00					
Contracted services-transportation (other than between home and school)						
Miscellaneous purchased services						
General supplies					21,113.45	
Total support services	1,995.00 \$	24,100.00 \$	22,953.77 \$		434,135.38 \$	
Facilities acquisition and const. services:						
Instructional equipment					235,110.00	30,142.00
Total facilities acquisition and const. services					235,110.00 \$	30,142.00
Total expenditures	362.76 \$	34,112.42 \$	27,860.90 \$	7,600.54 \$	1,325,545.38 \$	69,767.35

TOWNSHIP OF UNION SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULES OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	TEXTBOOKS	COMPENSATORY EDUCATION	ENGLISH AS A SECOND LANGUAGE	TRANSPORTATION	SUPPLEMENTAL INSTRUCTION	EXAMINATION AND CLASSIFICATION	CORRECTIVE SPEECH	NURSING
REVENUES:								
Federal sources	\$	\$	\$	\$	\$	\$	\$	\$
State sources	31,952.36	129,610.00	6,753.00	13,953.00	23,416.00	31,414.00	18,619.00	37,986.00
Local sources								
Total revenues	31,952.36	129,610.00	6,753.00	13,953.00	23,416.00	31,414.00	18,619.00	37,986.00
EXPENDITURES:								
Instruction:								
Salaries of teachers	\$	\$	\$	\$	\$	\$	\$	\$
Other salaries								
Purchased professional & technical services								
Other purchased services								
General supplies								
Textbooks	31,952.36							
Other objects								
Total instruction	31,952.36	129,610.00	6,753.00	13,953.00	23,416.00	31,414.00	18,619.00	
Support services:								
Salaries of program directors	\$	\$	\$	\$	\$	\$	\$	\$
Salaries of other professional staff								
Salaries of secretarial and clerical assistants								
Personal services-employee benefits								
Purchased professional and technical services								
Purchased professional educational services								
Other purchased services								
Contracted services-transportation (other than between home and school)								
Miscellaneous purchased services								
Total support services								
Facilities acquisition and const. services:								
Instructional equipment								
Total facilities acquisition and const. services								
Total expenditures	31,952.36	129,610.00	6,753.00	13,953.00	23,416.00	31,414.00	18,619.00	37,986.00

TOWNSHIP OF UNION SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULES OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	BATTLE HILL SCHOOL	FRANLIN SCHOOL	CENTRAL FIVE SCHOOL	LINCOLN SCHOOL	WASHINGTON SCHOOL	BURNETT MIDDLE SCHOOL	HANNAH CALDWELL SCHOOL	MIDDLE SCHOOL ACADEMY
REVENUES:								
Federal sources								
State sources								
Local sources	1,216.63	1,800.00	6,369.00	554.76	2,902.46	2,248.19	392.00	5,542.51
Total revenues	1,216.63	1,800.00	6,369.00	554.76	2,902.46	2,248.19	392.00	5,542.51
EXPENDITURES:								
Instruction:								
Salaries of teachers								
Other salaries								5,049.01
Purchased professional & technical services								
Other purchased services								
General supplies								
Textbooks								
Other objects								489.50
Total instruction	1,216.63	1,800.00	6,369.00	554.76	2,902.46	2,248.19	392.00	5,542.51
Total instruction	1,216.63	1,800.00	6,369.00	554.76	2,902.46	2,248.19	392.00	5,542.51
Support services:								
Salaries of program directors								
Salaries of other professional staff								
Salaries of secretarial and clerical assistants								
Personal services-employee benefits								
Purchased professional and technical services								
Other purchased services								
Contracted services-transportation (other than between home and school)								
Miscellaneous purchased services								
General supplies								
Total support services	\$	\$	\$	\$	\$	\$	\$	\$
Facilities acquisition and const. services:								
Instructional equipment								
Total facilities acquisition and const. services	\$	\$	\$	\$	\$	\$	\$	\$
Total expenditures	1,216.63	1,800.00	6,369.00	554.76	2,902.46	2,248.19	392.00	5,542.51

COMBINING SCHEDULES OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	C.O.S.T. PROGRAM	KAWAMEE MIDDLE SCHOOL BOOK FAIR	NJ SCHOOL BD SECURITY UHS	MERCK UHS STREET LAW	BURNETT MIDDLE SCHOOL HANDICAPPED	TOTAL
REVENUES:						
Federal sources	\$ 0.11	\$	\$	\$	\$	\$ 4,528,256.73
State sources		2,207.55	49,474.00	919.85		293,763.36
Local sources					2,800.00	76,427.06
Total revenues	\$ 0.11	\$ 2,207.55	\$ 49,474.00	\$ 919.85	\$ 2,800.00	\$ 4,898,387.15
EXPENDITURES:						
Instruction:						
Salaries of teachers	\$	\$	\$	\$	\$	\$ 294,449.43
Other salaries	0.11					0.11
Purchased professional & technical services						223,765.00
Other purchased services				919.85		1,218,979.37
General supplies						1,001,627.49
Textbooks						31,952.36
Other objects		2,207.55			2,800.00	23,369.59
Total instruction	\$ 0.11	\$ 2,207.55	\$	\$ 919.85	\$ 2,800.00	\$ 2,794,143.35
Support services:						
Salaries of program directors	\$	\$	\$	\$	\$	\$ 40,630.00
Salaries of other professional staff						305,612.41
Salaries of secretarial and clerical assistants						111,502.69
Personal services-employee benefits						262,357.04
Purchased professional and technical services						986,478.00
Other purchased educational services						18,952.28
Contracted services-transportation (other than between home and school)						850.00
Miscellaneous purchased services						1,195.00
General supplies			49,474.00			111,413.78
Total support services	\$	\$	\$ 49,474.00	\$	\$	\$ 1,838,951.80
Facilities acquisition and const. services:						
Instructional equipment						265,252.00
Total facilities acquisition and const. services	\$	\$	\$	\$	\$	\$ 265,252.00
Total expenditures	\$ 0.11	\$ 2,207.55	\$ 49,474.00	\$ 919.85	\$ 2,800.00	\$ 4,898,387.15

**CAPITAL PROJECTS FUND
DETAIL STATEMENTS**

TOWNSHIP OF UNION SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES - BUDGETARY BASIS
AS OF JUNE 30, 2011

<u>ISSUE/PROJECT TITLE</u>	<u>REVISED</u> <u>BUDGETARY</u>	<u>EXPENDITURES TO DATE</u>	<u>UNEXPENDED</u> <u>BALANCE</u>
	<u>APPROPRIATIONS</u>	<u>PRIOR YEARS</u>	<u>CURRENT YEAR</u>
Construct and equip additions/renovations and physical plant upgrades at the High School, the Kawameeh Middle School, the field house and the administration building. Undertake structural and health/safety upgrades and renovations. Undertake the construction of a district-wide technology backbone and various technology upgrades.	\$ 35,803,837.73	\$ 35,015,632.21	\$ 546,972.41
			\$ 241,233.11
New early childhood classrooms with reception area, directors office, faculty work room, toilets storage and new play area	2,861,466.00	1,650,435.89	(70,442.50)
			1,281,472.61
Central Five-Jefferson Elementary School The turn of the century wing will be demolished and replaced with a new 2-story addition with a new main entrance. The remaining 1920's wing will be renovated. Small addition to the old gym as it is converted into the new auditorium	<u>23,972,072.00</u>	<u>2,551,332.70</u>	<u>21,420,739.30</u>
	\$ 62,637,375.73	\$ 36,666,068.10	\$ 3,027,862.61
			<u>\$ 22,943,445.02</u>
<u>Reconciliation to GAAP:</u>			
Unexpended project balances			\$ 22,943,445.02
Encumbrances			1,505,568.55
Bonds authorized but not issued			<u>(6,712,165.00)</u>
Unreserved capital fund balance - GAAP			<u>\$ 17,736,848.57</u>

TOWNSHIP OF UNION SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2011

Revenues and Other Financing
Sources

State Sources - SCC Grant	\$ 5,259,907.00
Transfer from Capital Reserve	<u>12,000,000.00</u>
Total Revenue	<u>\$ 17,259,907.00</u>

Uses:

Purchased Profession and Technical Services	\$ 1,542,385.00
Construction Services	860,327.91
Miscellaneous	52,447.70
Transfer to Debt Service	<u>572,702.00</u>

Total Expenditures	<u>\$ 3,027,862.61</u>
--------------------	------------------------

Excess (Deficiency) of Revenues over (under) Expenditures	\$ 14,232,044.39
---	------------------

Fund Balance - Beginning	<u>8,711,400.63</u>
--------------------------	---------------------

Fund Balance - Ending	<u>\$ 22,943,445.02</u>
-----------------------	-------------------------

TOWNSHIP OF UNION SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
UNION HIGH SCHOOL JANUARY 2003 BOND
FROM THE INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

	<u>PRIOR</u> <u>PERIODS</u>	<u>CURRENT</u> <u>YEAR</u>	<u>TOTALS</u>	<u>REVISED</u> <u>AUTHORIZED</u> <u>COSTS</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ 4,436,708.00	\$	\$ 4,436,708.00	\$ 4,436,708.00
Bond proceeds and Transfers	<u>11,534,783.88</u>		<u>11,534,783.88</u>	<u>11,534,783.88</u>
Total Revenue	\$ <u>15,971,491.88</u>	\$	\$ <u>15,971,491.88</u>	\$ <u>15,971,491.88</u>
Expenditures and Other Financing Uses				
Purchased Profession and Technical Services	\$ 1,579,474.62	\$	\$ 1,579,474.62	\$ 1,579,474.62
Construction Services	13,951,461.15		13,951,461.15	13,951,461.15
Transfer to Debt Service	<u>260,040.25</u>	<u>180,515.86</u>	<u>440,556.11</u>	<u>440,556.11</u>
Total Expenditures	\$ <u>15,790,976.02</u>	\$ <u>180,515.86</u>	\$ <u>15,971,491.88</u>	\$ <u>15,971,491.88</u>
Excess (Deficiency) of Revenues over (under) Expenditures	\$ <u>180,515.86</u>	\$ <u>(180,515.86)</u>	\$	\$
<u>Additional Project Information</u>				
Project Number	5290-050-02-0346			
Grant date	01/22/04			
Bond Authorization Date	01/28/03			
Bonds Authorized	\$ 11,534,783.88			
Bonds Issued	11,534,783.88			
Original Authorized Cost	15,455,000.00			
Additional Authorized Cost	516,491.88			
Revised Authorized Cost	15,971,491.88			
Percentage Increase over Original Authorized Costs	3.34%			
Percentage Completion	100.00%			
Original Completion Date	09/06/05			
Revised Completion Date	09/06/05			

TOWNSHIP OF UNION SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
KAWAMEEH MIDDLE SCHOOL JANUARY 2003 BOND
FROM THE INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

	<u>PRIOR</u> <u>PERIODS</u>	<u>CURRENT</u> <u>YEAR</u>	<u>TOTALS</u>	<u>REVISED</u> <u>AUTHORIZED</u> <u>COSTS</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ 1,484,554.00	\$	\$ 1,484,554.00	\$ 1,484,554.00
Bond proceeds and Transfers	<u>2,815,579.19</u>	<u> </u>	<u>2,815,579.19</u>	<u>2,815,579.19</u>
Total Revenue	\$ <u>4,300,133.19</u>	\$ <u> </u>	\$ <u>4,300,133.19</u>	\$ <u>4,300,133.19</u>
Expenditures and Other Financing Uses				
Purchased Profession and Technical Services	\$ 667,844.90	\$	\$ 667,844.90	\$ 667,844.90
Construction Services	3,439,575.02	<u> </u>	3,439,575.02	3,439,575.02
Transfer to Debt Service	<u>113,749.88</u>	<u>78,963.39</u>	<u>192,713.27</u>	<u>192,713.27</u>
Total Expenditures	\$ <u>4,221,169.80</u>	\$ <u>78,963.39</u>	\$ <u>4,300,133.19</u>	\$ <u>4,300,133.19</u>
Excess (Deficiency) of Revenues over (under) Expenditures	\$ <u>78,963.39</u>	\$ <u>(78,963.39)</u>	<u> </u>	<u> </u>
<u>Additional Project Information</u>				
Project Number	5290-070-02-0347			
Grant date	01/22/04			
Bond Authorization Date	01/28/03			
Bonds Authorized	\$ 2,815,579.19			
Bonds Issued	2,815,579.19			
Original Authorized Cost	5,100,000.00			
Additional Authorized Cost	-799,866.81			
Revised Authorized Cost	4,300,133.19			
Percentage Incr (Decr) over Original Authorized Costs	-15.68%			
Percentage Completion	100.00%			
Original Completion Date	09/06/05			
Revised Completion Date	09/06/05			

TOWNSHIP OF UNION SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
ADMINISTRATION BUILDING JANUARY 2003 BOND
FROM THE INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

	<u>PRIOR</u> <u>PERIODS</u>	<u>CURRENT</u> <u>YEAR</u>	<u>TOTALS</u>	<u>REVISED</u> <u>AUTHORIZED</u> <u>COSTS</u>
<u>Revenues and Other Financing Sources</u>				
Bond proceeds and Transfers	\$ 1,599,047.00	\$ _____	\$ 1,599,047.00	\$ 1,599,047.00
Total Revenue	\$ 1,599,047.00	\$ _____	\$ 1,599,047.00	\$ 1,599,047.00
<u>Expenditures and Other Financing Uses</u>				
Purchased Profession and Technical Services	\$ 364,742.20	\$ _____	\$ 364,742.20	\$ 580,245.72
Construction Services	1,015,301.28	(25,729.59)	989,571.69	1,015,301.28
Miscellaneous	3,500.00	_____	3,500.00	3,500.00
Total Expenditures	\$ 1,383,543.48	\$ (25,729.59)	\$ 1,357,813.89	\$ 1,599,047.00
Excess (Deficiency) of Revenues over (under) Expenditures	\$ 215,503.52	\$ 25,729.59	\$ 241,233.11	\$ _____
<u>Additional Project Information</u>				
Project Number				
Grant date				
Bond Authorization Date		01/28/03		
Bonds Authorized	\$ 1,599,047.00			
Bonds Issued	1,599,047.00			
Original Authorized Cost	1,235,000.00			
Additional Authorized Cost	364,047.00			
Revised Authorized Cost	1,599,047.00			
Percentage Increase over Original Authorized Costs		29.48%		
Percentage Completion		84.91%		
Original Completion Date		N/A		
Revised Completion Date		N/A		

TOWNSHIP OF UNION SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
BATTLE HILL SCHOOL JANUARY 2003 BOND
FROM THE INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

	<u>PRIOR</u> <u>PERIODS</u>	<u>CURRENT</u> <u>YEAR</u>	<u>TOTALS</u>	<u>AUTHORIZED</u> <u>COSTS</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ 831,200.00	\$	\$ 831,200.00	\$ 831,200.00
Bond proceeds and Transfers	<u>1,522,247.89</u>	<u> </u>	<u>1,522,247.89</u>	<u>1,522,247.89</u>
Total Revenue	\$ <u>2,353,447.89</u>	\$ <u> </u>	\$ <u>2,353,447.89</u>	\$ <u>2,353,447.89</u>
Expenditures and Other Financing Uses				
Purchased Profession and Technical Services	\$ 296,986.63	\$	\$ 296,986.63	\$ 296,986.63
Construction Services	1,977,522.39	0.08	1,977,522.47	1,977,522.47
Transfer to Debt Service	<u>46,594.03</u>	<u>32,344.76</u>	<u>78,938.79</u>	<u>78,938.79</u>
Total Expenditures	\$ <u>2,321,103.05</u>	\$ <u>32,344.84</u>	\$ <u>2,353,447.89</u>	\$ <u>2,353,447.89</u>
Excess (Deficiency) of Revenues over (under) Expenditures	\$ <u>32,344.84</u>	\$ <u>(32,344.84)</u>	\$ <u> </u>	\$ <u> </u>
<u>Additional Project Information</u>				
Project Number	5290-080-02-0349			
Grant date	10/21/03			
Bond Authorization Date	01/28/03			
Bonds Authorized	\$ 1,522,247.89			
Bonds Issued	1,522,247.89			
Original Authorized Cost	2,078,000.00			
Additional Authorized Cost	275,447.89			
Revised Authorized Cost	2,353,447.89			
Percentage Increase over Original Authorized Costs	13.26%			
Percentage Completion	100.00%			
Original Completion Date	09/06/05			
Revised Completion Date	09/06/05			

TOWNSHIP OF UNION SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
CENTRAL FIVE SCHOOL JANUARY 2003 BOND
FROM THE INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

	<u>PRIOR</u> <u>PERIODS</u>	<u>CURRENT</u> <u>YEAR</u>	<u>TOTALS</u>	<u>REVISED</u> <u>AUTHORIZED</u> <u>COSTS</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ 528,414.60	\$	\$ 528,414.60	\$ 528,414.60
Bond proceeds and Transfers	<u>792,393.80</u>	<u> </u>	<u>792,393.80</u>	<u>792,393.80</u>
Total Revenue	\$ <u>1,320,808.40</u>	\$ <u> </u>	\$ <u>1,320,808.40</u>	\$ <u>1,320,808.40</u>
Expenditures and Other Financing Uses				
Purchased Profession and Technical Services	\$ 299,664.51	\$	\$ 299,664.51	\$ 299,664.51
Construction Services	1,019,993.99	<u> </u>	1,019,993.99	1,019,993.99
Transfer to Debt Service	<u>678.73</u>	<u>471.17</u>	<u>1,149.90</u>	<u>1,149.90</u>
Total Expenditures	\$ <u>1,320,337.23</u>	\$ <u>471.17</u>	\$ <u>1,320,808.40</u>	\$ <u>1,320,808.40</u>
Excess (Deficiency) of Revenues over (under) Expenditures	\$ <u>471.17</u>	\$ <u>(471.17)</u>	\$ <u> </u>	\$ <u> </u>
<u>Additional Project Information</u>				
Project Number	5290-085-02-0350			
Grant date	01/22/04			
Bond Authorization Date	01/28/03			
Bonds Authorized	\$ 792,393.80			
Bonds Issued	792,393.80			
Original Authorized Cost	2,072,000.00			
Additional Authorized Cost	(751,191.60)			
Revised Authorized Cost	1,320,808.40			
Percentage Incr (Decr) over Original Authorized Costs	-36.25%			
Percentage Completion	100.00%			
Original Completion Date	09/06/05			
Revised Completion Date	09/06/05			

TOWNSHIP OF UNION SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
CONNECTICUT FARMS SCHOOL JANUARY 2003 BOND
FROM THE INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COSTS
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ 532,962.63	\$	\$ 532,962.63	\$ 532,962.63
Bond proceeds and Transfers	934,433.66	_____	934,433.66	934,433.66
Total Revenue	\$ 1,467,396.29	\$ _____	\$ 1,467,396.29	\$ 1,467,396.29
Expenditures and Other Financing Uses				
Purchased Profession and Technical Services	\$ 253,461.18	\$	\$ 253,461.18	\$ 253,461.18
Construction Services	1,067,861.72	_____	1,067,861.72	1,067,861.72
Transfer to Debt Service	86,220.48	59,852.91	146,073.39	146,073.39
Total Expenditures	\$ 1,407,543.38	\$ 59,852.91	\$ 1,467,396.29	\$ 1,467,396.29
Excess (Deficiency) of Revenues over (under) Expenditures	\$ 59,852.91	\$ (59,852.91)	\$ _____	\$ _____
Additional Project Information				
Project Number	5290-090-02-0351			
Grant date	10/21/03			
Bond Authorization Date	01/28/03			
Bonds Authorized	\$ 934,433.66			
Bonds Issued	934,433.66			
Original Authorized Cost	1,514,000.00			
Additional Authorized Cost	(46,603.71)			
Revised Authorized Cost	1,467,396.29			
Percentage Incr (Decr) over Original Authorized Costs	-3.08%			
Percentage Completion	100.00%			
Original Completion Date	09/06/05			
Revised Completion Date	09/06/05			

TOWNSHIP OF UNION SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
FRANKLIN SCHOOL JANUARY 2003 BOND
FROM THE INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

	<u>PRIOR</u> <u>PERIODS</u>	<u>CURRENT</u> <u>YEAR</u>	<u>TOTALS</u>	<u>REVISED</u> <u>AUTHORIZED</u> <u>COSTS</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ 528,306.00	\$	\$ 528,306.00	\$ 528,306.00
Bond proceeds and Transfers	<u>926,612.22</u>	<u> </u>	<u>926,612.22</u>	<u>926,612.22</u>
Total Revenue	\$ <u>1,454,918.22</u>	\$ <u> </u>	\$ <u>1,454,918.22</u>	\$ <u>1,454,918.22</u>
Expenditures and Other Financing Uses				
Purchased Profession and Technical Services	\$ 271,103.57	\$	\$ 271,103.57	\$ 271,103.57
Construction Services	1,104,568.25		1,104,568.25	1,104,568.25
Equipment Purchases	5,250.00		5,250.00	5,250.00
Transfer to Debt Service	<u>43,676.71</u>	<u>30,319.69</u>	<u>73,996.40</u>	<u>73,996.40</u>
Total Expenditures	\$ <u>1,424,598.53</u>	\$ <u>30,319.69</u>	\$ <u>1,454,918.22</u>	\$ <u>1,454,918.22</u>
Excess (Deficiency) of Revenues over (under) Expenditures	\$ <u>30,319.69</u>	\$ <u>(30,319.69)</u>	\$ <u> </u>	\$ <u> </u>
<u>Additional Project Information</u>				
Project Number	5290-100-02-0352			
Grant date	10/21/03			
Bond Authorization Date	01/28/03			
Bonds Authorized	\$ 926,612.22			
Bonds Issued	926,612.22			
Original Authorized Cost	1,470,000.00			
Additional Authorized Cost	-15,081.78			
Revised Authorized Cost	1,454,918.22			
Percentage Incr (Decr) over Original Authorized Costs	-1.03%			
Percentage Completion	100.00%			
Original Completion Date	09/06/05			
Revised Completion Date	09/06/05			

TOWNSHIP OF UNION SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
LIVINGSTON SCHOOL JANUARY 2003 BOND
FROM THE INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

	<u>PRIOR</u> <u>PERIODS</u>	<u>CURRENT</u> <u>YEAR</u>	<u>TOTALS</u>	<u>REVISED</u> <u>AUTHORIZED</u> <u>COSTS</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ 556,654.75	\$	\$ 556,654.75	\$ 556,654.75
Bond proceeds and Transfers	<u>926,908.99</u>	<u> </u>	<u>926,908.99</u>	<u>926,908.99</u>
Total Revenue	\$ <u>1,483,563.74</u>	\$ <u> </u>	\$ <u>1,483,563.74</u>	\$ <u>1,483,563.74</u>
Expenditures and Other Financing Uses				
Purchased Profession and Technical Services	\$ 290,172.50	\$	\$ 290,172.50	\$ 290,172.50
Construction Services	1,100,537.37	<u> </u>	1,100,537.37	1,100,537.37
Transfer to Debt Service	<u>54,807.42</u>	<u>38,046.45</u>	<u>92,853.87</u>	<u>92,853.87</u>
Total Expenditures	\$ <u>1,445,517.29</u>	\$ <u>38,046.45</u>	\$ <u>1,483,563.74</u>	\$ <u>1,483,563.74</u>
Excess (Deficiency) of Revenues over (under) Expenditures	\$ <u>38,046.45</u>	\$ <u>(38,046.45)</u>	<u> </u>	<u> </u>
<u>Additional Project Information</u>				
Project Number	5290-130-02-0353			
Grant date	10/21/03			
Bond Authorization Date	01/28/03			
Bonds Authorized	\$ 926,908.99			
Bonds Issued	926,908.99			
Original Authorized Cost	1,625,000.00			
Additional Authorized Cost	(141,436.26)			
Revised Authorized Cost	1,483,563.74			
Percentage Incr (Decr) over Original Authorized Costs	-8.70%			
Percentage Completion	100.00%			
Original Completion Date	09/06/05			
Revised Completion Date	09/06/05			

TOWNSHIP OF UNION SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
 WASHINGTON SCHOOL JANUARY 2003 BOND
 FROM THE INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COSTS
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ 483,200.00	\$	\$ 483,200.00	\$ 483,200.00
Bond proceeds and Transfers	<u>908,640.15</u>	<u> </u>	<u>908,640.15</u>	<u>908,640.15</u>
Total Revenue	\$ <u>1,391,840.15</u>	\$ <u> </u>	\$ <u>1,391,840.15</u>	\$ <u>1,391,840.15</u>
Expenditures and Other Financing Uses				
Purchased Profession and Technical Services	\$ 233,270.53	\$	\$ 233,270.53	\$ 233,270.53
Construction Services	1,045,015.04		1,045,015.04	1,045,015.04
Transfer to Debt Service	<u>67,026.11</u>	<u>46,528.47</u>	<u>113,554.58</u>	<u>113,554.58</u>
Total Expenditures	\$ <u>1,345,311.68</u>	\$ <u>46,528.47</u>	\$ <u>1,391,840.15</u>	\$ <u>1,391,840.15</u>
Excess (Deficiency) of Revenues over (under) Expenditures	\$ <u>46,528.47</u>	\$ <u>(46,528.47)</u>	\$ <u> </u>	\$ <u> </u>
Additional Project Information				
Project Number	5290-140-02-0354			
Grant date	10/21/03			
Bond Authorization Date	01/28/03			
Bonds Authorized	\$ 908,640.15			
Bonds Issued	908,640.15			
Original Authorized Cost	1,225,000.00			
Additional Authorized Cost	166,840.15			
Revised Authorized Cost	1,391,840.15			
Percentage Incr (Decr) over Original Authorized Costs	13.62%			
Percentage Completion	100.00%			
Original Completion Date	09/06/05			
Revised Completion Date	09/06/05			

TOWNSHIP OF UNION SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
BURNET MIDDLE SCHOOL JANUARY 2003 BOND
FROM THE INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

	<u>PRIOR</u> <u>PERIODS</u>	<u>CURRENT</u> <u>YEAR</u>	<u>TOTALS</u>	<u>REVISED</u> <u>AUTHORIZED</u> <u>COSTS</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ 864,299.78	\$	\$ 864,299.78	\$ 864,299.78
Bond proceeds and Transfers	<u>1,700,889.24</u>	<u> </u>	<u>1,700,889.24</u>	<u>1,700,889.24</u>
Total Revenue	\$ <u>2,565,189.02</u>	\$ <u> </u>	\$ <u>2,565,189.02</u>	\$ <u>2,565,189.02</u>
Expenditures and Other Financing Uses				
Purchased Profession and Technical Services	\$ 372,613.57	\$	\$ 372,613.57	\$ 372,613.57
Construction Services	1,994,849.97	<u> </u>	1,994,849.97	1,994,849.97
Transfer to Debt Service	<u>116,708.36</u>	<u>81,017.12</u>	<u>197,725.48</u>	<u>197,725.48</u>
Total Expenditures	\$ <u>2,484,171.90</u>	\$ <u>81,017.12</u>	\$ <u>2,565,189.02</u>	\$ <u>2,565,189.02</u>
Excess (Deficiency) of Revenues over (under) Expenditures	\$ <u>81,017.12</u>	\$ <u>(81,017.12)</u>	<u> </u>	<u> </u>
Additional Project Information				
Project Number	5290-060-02-0355			
Grant date	10/21/03			
Bond Authorization Date	01/28/03			
Bonds Authorized	\$ 1,700,889.24			
Bonds Issued	1,700,889.24			
Original Authorized Cost	2,841,000.00			
Additional Authorized Cost	-275,810.98			
Revised Authorized Cost	2,565,189.02			
Percentage Incr (Decr) over Original Authorized Costs	-9.71%			
Percentage Completion	100.00%			
Original Completion Date	09/06/05			
Revised Completion Date	09/06/05			

TOWNSHIP OF UNION SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
 FIELD HOUSE JANUARY 2003 BOND
 FROM THE INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

	<u>PRIOR</u> <u>PERIODS</u>	<u>CURRENT</u> <u>YEAR</u>	<u>TOTALS</u>	<u>REVISED</u> <u>AUTHORIZED</u> <u>COSTS</u>
Revenues and Other Financing Sources				
Bond proceeds and Transfers	\$ 1,896,001.98	\$ _____	\$ 1,896,001.98	\$ 1,896,001.98
Total Revenue	\$ 1,896,001.98	\$ _____	\$ 1,896,001.98	\$ 1,896,001.98
Expenditures and Other Financing Uses				
Purchased Profession and Technical Services	\$ 288,439.42	\$ _____	\$ 288,439.42	\$ 288,439.42
Construction Services	1,547,422.35	_____	1,547,422.35	1,547,422.35
Transfer to Debt Service	35,498.03	24,642.18	60,140.21	60,140.21
Total Expenditures	\$ 1,871,359.80	\$ 24,642.18	\$ 1,896,001.98	\$ 1,896,001.98
Excess (Deficiency) of Revenues over (under) Expenditures	\$ 24,642.18	\$ (24,642.18)	\$ _____	\$ _____

Additional Project Information

Project Number	
Grant date	
Bond Authorization Date	01/28/03
Bonds Authorized	\$ 1,896,001.98
Bonds Issued	1,896,001.98
Original Authorized Cost	1,885,000.00
Additional Authorized Cost	11,001.98
Revised Authorized Cost	1,896,001.98
Percentage Increase over Original Authorized Costs	0.58%
Percentage Completion	100.00%
Original Completion Date	09/06/05
Revised Completion Date	09/06/05

TOWNSHIP OF UNION SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
HANNAH CALDWELL SCHOOL NEW EARLY CHILDHOOD CLASSROOMS
FROM THE INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

	<u>PRIOR</u> <u>PERIODS</u>	<u>CURRENT</u> <u>YEAR</u>	<u>TOTALS</u>	<u>REVISED</u> <u>AUTHORIZED</u> <u>COSTS</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ 1,144,586.00	\$	\$ 1,144,586.00	\$ 1,144,586.00
Transfer from capital reserve and Transfers	<u>1,716,880.00</u>	<u> </u>	<u>1,716,880.00</u>	<u>1,716,880.00</u>
Total Revenue	<u>\$ 2,861,466.00</u>	<u>\$</u>	<u>\$ 2,861,466.00</u>	<u>\$ 2,861,466.00</u>
Expenditures and Other Financing Uses				
Purchased Profession and Technical Services	\$ 69,397.50	\$	\$ 69,397.50	\$ 100,000.00
Construction Services	1,572,935.00	(70,442.50)	1,502,492.50	2,753,362.61
Miscellaneous	<u>8,103.39</u>	<u> </u>	<u>8,103.39</u>	<u>8,103.39</u>
Total Expenditures	<u>\$ 1,650,435.89</u>	<u>\$ (70,442.50)</u>	<u>\$ 1,579,993.39</u>	<u>\$ 2,861,466.00</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>\$ 1,211,030.11</u>	<u>\$ 70,442.50</u>	<u>\$ 1,281,472.61</u>	<u>\$</u>
Additional Project Information				
Project Number	5290-083-09-OYAS			
Grant date	11/6/2009			
Bond Authorization Date				
Bonds Authorized	\$			
Bonds Issued				
Original Authorized Cost	2,861,466.00			
Additional Authorized Cost				
Revised Authorized Cost	2,861,466.00			
Percentage Incr (Decr) over Original Authorized Costs				
Percentage Completion	55.22%			
Original Completion Date	9/1/2010			
Revised Completion Date	10/1/2010			

TOWNSHIP OF UNION SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
CENTRAL FIVE - JEFFERSON ELEMENTARY SCHOOL
FROM THE INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

	<u>PRIOR</u> <u>PERIODS</u>	<u>CURRENT</u> <u>YEAR</u>	<u>TOTALS</u>	<u>REVISED</u> <u>AUTHORIZED</u> <u>COSTS</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$	\$ 5,259,607.00	\$ 5,259,607.00	\$ 5,259,907.00
Bond proceeds and Transfers	6,712,165.00		6,712,165.00	6,712,165.00
Transfer from capital reserve and Transfers		<u>12,000,000.00</u>	<u>12,000,000.00</u>	<u>12,000,000.00</u>
Total Revenue	\$ 6,712,165.00	\$ 17,259,607.00	\$ 23,971,772.00	\$ 23,972,072.00
Expenditures and Other Financing Uses				
Purchased Profession and Technical Services	\$	\$ 1,542,385.00	\$ 1,542,385.00	\$ 2,434,220.00
Construction Services		956,500.00	956,500.00	20,359,149.85
Miscellaneous		<u>52,447.70</u>	<u>52,447.70</u>	<u>1,178,702.15</u>
Total Expenditures	\$	\$ 2,551,332.70	\$ 2,551,332.70	\$ 23,972,072.00
Excess (Deficiency) of Revenues over (under) Expenditures	\$ 6,712,165.00	\$ 14,708,274.30	\$ 21,420,439.30	\$
<u>Additional Project Information</u>				
Project Number		5290-085-09-00BK		
Grant date		8/20/2010		
Bond Authorization Date		4/20/2010		
Bonds Authorized	\$	6,712,165.00		
Bonds Issued				
Original Authorized Cost		23,972,072.00		
Additional Authorized Cost				
Revised Authorized Cost		23,972,072.00		
Percentage Incr (Decr) over Original Authorized Costs				
Percentage Completion		10.64%		
Original Completion Date		9/1/2013		
Revised Completion Date		9/1/2013		

PROPRIETARY FUND DETAIL STATEMENTS

Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the district's board is that the costs of providing goods or services be financed through user charges.

FOOD SERVICES FUND:

This fund provides for the operation of food services in all schools within the school district.

**COMMUNICATION, ARTS AND
SCIENCE TRAINING (CAST) FUND:**

This fund provides for the operation of communication arts and science training in the high school.

TOWNSHIP OF UNION SCHOOL DISTRICT
COMBINING STATEMENT OF NET ASSETS
PROPRIETARY FUNDS-ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>BUSINESS TYPE ACTIVITIES- ENTERPRISE FUND</u>		
	<u>FOOD</u> <u>SERVICES</u> <u>FUND</u>	<u>CAST</u> <u>FUND</u>	<u>TOTAL</u>
ASSETS:			
Current assets:			
Cash	\$ 1,281,729.66	\$ 867,796.81	\$ 2,149,526.47
Accounts receivable:			
State	4,573.34		4,573.34
Federal	84,218.34		84,218.34
Interfunds	144,258.69		144,258.69
Inventories	25,182.37		25,182.37
Total current assets	\$ 1,539,962.40	\$ 867,796.81	\$ 2,407,759.21
Non Current assets:			
Equipment	\$ 1,100,839.00	\$	\$ 1,100,839.00
Accumulated depreciation	(861,684.45)		(861,684.45)
Total non current assets	\$ 239,154.55	\$	\$ 239,154.55
Total Assets:	\$ 1,779,116.95	\$ 867,796.81	\$ 2,646,913.76
LIABILITIES:			
Current liabilities:			
Deferred revenue	\$ 8,861.31	\$	\$ 8,861.31
Accounts Payable	226,833.55		226,833.55
Total Liabilities	\$ 235,694.86	\$	\$ 235,694.86
NET ASSETS:			
Investment in Capital Assets	\$ 239,154.55	\$	\$ 239,154.55
Unrestricted	1,304,267.54	867,796.81	2,172,064.35
Total Net Assets	\$ 1,543,422.09	\$ 867,796.81	\$ 2,411,218.90

TOWNSHIP OF UNION SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS-ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>BUSINESS TYPE ACTIVITIES- ENTERPRISE FUND</u>		
	<u>FOOD SERVICES FUND</u>	<u>CAST FUND</u>	<u>TOTAL</u>
OPERATING REVENUES:			
Local sources:			
Daily sales-reimbursable programs:			
School lunch program	\$ 1,559,367.00	\$	\$ 1,559,367.00
Daily sales non-reimbursable programs:			
Special functions	4,458.51		4,458.51
Total operating revenue	\$ 1,563,825.51	\$	\$ 1,563,825.51
OPERATING EXPENSES:			
Cost of sales	1,066,044.10		1,066,044.10
Labor costs	1,249,218.98		1,249,218.98
Management fees	78,004.73		78,004.73
Supplies and materials	492,439.03		492,439.03
Repairs and other expenses	48,062.16		48,062.16
Depreciation	63,435.57		63,435.57
Total operating expenses	\$ 2,997,204.57	\$	\$ 2,997,204.57
Operating Income (Loss)	\$ (1,433,379.06)	\$	\$ (1,433,379.06)
Nonoperating revenues:			
State sources:			
State school lunch program	\$ 37,981.71	\$	\$ 37,981.71
Federal sources:			
National school lunch program	1,190,353.66		1,190,353.66
Food distribution commodities program	192,082.94		192,082.94
Interest revenue	3,060.32	1,733.72	4,794.04
Total nonoperating revenues (expenses)	\$ 1,423,478.63	\$ 1,733.72	\$ 1,425,212.35
Change in net assets	\$ (9,900.43)	\$ 1,733.72	\$ (8,166.71)
Total net assets - beginning	\$ 1,553,322.52	\$ 866,063.09	\$ 2,419,385.61
Total net assets - ending	\$ 1,543,422.09	\$ 867,796.81	\$ 2,411,218.90

TOWNSHIP OF UNION SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS-ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>BUSINESS TYPE ACTIVITIES- ENTERPRISE FUND</u>		
	<u>FOOD</u> <u>SERVICES</u> <u>FUND</u>	<u>CAST</u> <u>FUND</u>	<u>TOTAL</u>
Cash flows from operating activities:			
Receipts from customers	\$ 1,563,825.51	\$	\$ 1,563,825.51
Payments for labor	(1,121,195.75)		(1,121,195.75)
Payments to suppliers	(1,650,539.06)		(1,650,539.06)
Interfunds	(144,258.69)		(144,258.69)
Net cash provided by (used for) operating activities	\$ (1,352,167.99)	\$	\$ (1,352,167.99)
Cash flows from noncapital financing activities:			
State Sources	\$ 38,243.66	\$	\$ 38,243.66
Federal Sources	1,194,658.90		1,194,658.90
Operating subsidies and transfers to other funds			
Net cash provided by (used for) noncapital financing activities	\$ 1,232,902.55	\$	\$ 1,232,902.55
Cash flows from capital and related financing activities:			
Purchases of capital assets	\$ (30,283.97)	\$	\$ (30,283.97)
Net cash provided by (used for) capital and or related financing activities	\$ (30,283.97)	\$	\$ (30,283.97)
Cash flows from investing activities:			
Interest on Investments	\$ 3,060.32	\$ 1,733.72	\$ 4,794.04
Net cash provided by (used for) investing activities	\$ 3,060.32	\$ 1,733.72	\$ 4,794.04
Net increase in cash and cash equivalents	\$ (146,489.09)	\$ 1,733.72	\$ (144,755.37)
Cash and cash equivalents, June 30, 2010	1,428,218.75	866,063.09	2,294,281.84
Cash and cash equivalents, June 30, 2011	\$ 1,281,729.66	\$ 867,796.81	\$ 2,149,526.47
Cash flows from operating activities:			
Operating income(loss)	\$ (1,433,379.06)	\$	\$ (1,433,379.06)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:			
Depreciation	63,435.57		63,435.57
Federal commodities	192,082.94		192,082.94
Change in assets and liabilities:			
(Increase) Decrease in inventory	2,101.01		2,101.01
(Increase) Decrease in interfunds	(144,258.69)		(144,258.69)
increase (Decrease) in deferred revenue	(18,422.07)		(18,422.07)
Increase (Decrease) in accounts payable	(13,727.69)		(13,727.69)
Net cash provided (used) by operating activities	\$ (1,352,167.99)	\$	\$ (1,352,167.99)

FIDUCIARY FUNDS DETAIL STATEMENTS

Fiduciary funds are used to account for funds received by the District for a specific purpose.

Private Purpose Trust Funds: This fund is used to account for assets held by the district under the terms of a formal trust agreement, whereby the district is under obligations to maintain the trust principal and award scholarships from the income and to account for donations held by the district for grants to students where there are no restrictions regarding the use of principal and income.

Unemployment Compensation Insurance Trust Fund: This trust fund is used to pay unemployment compensation claims as they arise.

Agency funds are used to account for assets held by the District as an agent for another party.

Student Activity Fund: This agency fund is used to account for student funds held at the schools.

Payroll Fund: This agency fund is used to account for the payroll transactions of the school district.

TOWNSHIP OF UNION SCHOOL DISTRICT
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2011

	STATE UNEMPLOYMENT INSURANCE	PRIVATE PURPOSE AWARD FUND	<u>AGENCY FUNDS</u>		ESCROW DEPOSITS	<u>TOTALS</u>
			STUDENT ACTIVITY	PAYROLL AGENCY		
ASSETS:						
Cash and investments	\$ 993,873.53	\$ 52,689.78	\$ 179,015.50	\$ 2,592,660.77	\$ 26,071.78	\$ 3,844,311.36
Due from Payroll agency	<u>219,430.49</u>					<u>219,430.49</u>
Total assets	<u>\$ 1,213,304.02</u>	<u>\$ 52,689.78</u>	<u>\$ 179,015.50</u>	<u>\$ 2,592,660.77</u>	<u>\$ 26,071.78</u>	<u>\$ 4,063,741.85</u>
LIABILITIES:						
Liabilities:						
Payroll deductions & withholdings	\$	\$	\$	\$ 2,373,230.28	\$	\$ 2,373,230.28
Due to student groups			179,015.50			179,015.50
Due to state unemployment insurance				<u>219,430.49</u>		<u>219,430.49</u>
Total liabilities	<u>\$</u>	<u>\$</u>	<u>\$ 179,015.50</u>	<u>\$ 2,592,660.77</u>	<u>\$</u>	<u>\$ 2,771,676.27</u>
NET ASSETS:						
Held in trust for Unemployment claims and other purposes	\$ 1,213,304.02	\$ 29,000.00	\$	\$	\$ 26,071.78	\$ 1,268,375.80
Reserved for awards		<u>23,689.78</u>				<u>23,689.78</u>
Total net assets	<u>\$ 1,213,304.02</u>	<u>\$ 52,689.78</u>	<u>\$</u>	<u>\$</u>	<u>\$ 26,071.78</u>	<u>\$ 1,292,065.58</u>

TOWNSHIP OF UNION SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	PRIVATE PURPOSE AWARD FUND	UNEMPLOYMENT COMPENSATION TRUST	ESCROW DEPOSITS	TOTAL
ADDITIONS:				
Contributions	\$ 2,930.00	\$ 99,963.58	\$	\$ 102,893.58
Total contributions	\$ 2,930.00	\$ 99,963.58	\$	\$ 102,893.58
Investment earnings:				
Interest	\$ 125.31	\$ 8,580.22	\$ 26.04	\$ 8,731.57
Net investment earnings	\$ 125.31	\$ 8,580.22	\$ 26.04	\$ 8,731.57
Total additions	\$ 3,055.31	\$ 108,543.80	\$ 26.04	\$ 111,625.15
DEDUCTIONS:				
Scholarships awarded	\$ 8,599.24	\$	\$	\$ 8,599.24
Unemployment Claims	\$	169,984.60	\$	169,984.60
Total deductions	\$ 8,599.24	\$ 169,984.60	\$	\$ 8,599.24
Change in net assets	(5,543.93)	(61,440.80)	26.04	(66,958.69)
Net assets beginning of year	58,233.71	\$ 1,274,744.82	\$ 26,045.74	\$ 1,359,024.27
Net assets end of year	\$ 52,689.78	\$ 1,213,304.02	\$ 26,071.78	\$ 1,292,065.58

TOWNSHIP OF UNION SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>BALANCE</u> <u>JUNE 30, 2010</u>		<u>CASH</u> <u>RECEIPTS</u>		<u>CASH</u> <u>DISBURSEMENTS</u>		<u>BALANCE</u> <u>JUNE 30, 2011</u>
ELEMENTARY SCHOOLS:							
Battle Hill	\$ 100.00	\$	2,863.30	\$	2,863.30	\$	100.00
Central Five - Jefferson	384.07		804.00		835.00		353.07
Connecticut Farms	2,197.97		7.40		5.00		2,200.37
Franklin	100.00						100.00
Hannah Caldwell	50.00		2,604.06		2,604.06		50.00
Livingston	9.77						9.77
Washington	30.69		0.00				30.69
	<u>2,872.50</u>		<u>6,278.76</u>		<u>6,307.36</u>		<u>2,843.90</u>
Total Elementary Schools	\$ <u>2,872.50</u>	\$	\$ <u>6,278.76</u>	\$	\$ <u>6,307.36</u>	\$	\$ <u>2,843.90</u>
JUNIOR HIGH SCHOOLS:							
Burnett	\$ 18,647.14	\$	25,996.62	\$	27,941.97	\$	16,701.79
Kawameeh	33,031.38		60,197.64		63,661.24		29,567.78
	<u>51,678.52</u>		<u>86,194.26</u>		<u>91,603.21</u>		<u>46,269.57</u>
Total Junior High Schools	\$ <u>51,678.52</u>	\$	\$ <u>86,194.26</u>	\$	\$ <u>91,603.21</u>	\$	\$ <u>46,269.57</u>
SENIOR HIGH SCHOOLS:							
Union-Activities	\$ 85,421.04	\$	415,494.98	\$	397,097.47	\$	103,818.55
Union-Athletics Clubs	26,341.02		158,733.22		158,990.76		26,083.48
	<u>111,762.06</u>		<u>574,228.20</u>		<u>556,088.23</u>		<u>129,902.03</u>
Total Senior High Schools	\$ <u>111,762.06</u>	\$	\$ <u>574,228.20</u>	\$	\$ <u>556,088.23</u>	\$	\$ <u>129,902.03</u>
Total All Schools	\$ <u>166,313.08</u>	\$	\$ <u>666,701.22</u>	\$	\$ <u>653,998.80</u>	\$	\$ <u>179,015.50</u>

TOWNSHIP OF UNION SCHOOL DISTRICT
PAYROLL AGENCY FUNDS
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>BALANCE</u> <u>JUNE 30, 2010</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2011.</u>
ASSETS:				
Cash and Cash Equivalents	\$ <u>2,467,095.96</u>	\$ <u>33,767,918.98</u>	\$ <u>33,642,354.17</u>	\$ <u>2,592,660.77</u>
Total assets	\$ <u><u>2,467,095.96</u></u>	\$ <u><u>33,767,918.98</u></u>	\$ <u><u>33,642,354.17</u></u>	\$ <u><u>2,592,660.77</u></u>
LIABILITIES:				
Due Unemployment Compensation Trust	\$ 220,183.74	\$ 141,922.83	\$ 142,676.08	\$ 219,430.49
Payroll deductions and withholdings	<u>2,246,912.22</u>	<u>33,625,996.15</u>	<u>33,499,678.09</u>	<u>2,373,230.28</u>
Total Liabilities	\$ <u><u>2,467,095.96</u></u>	\$ <u><u>33,767,918.98</u></u>	\$ <u><u>33,642,354.17</u></u>	\$ <u><u>2,592,660.77</u></u>

LONG-TERM DEBT SCHEDULES

The Long-Term schedules are used to reflect the outstanding principal balances of the long-term liabilities of the District. This includes obligations under Serial Bonds and Capital Leases.

TOWNSHIP OF UNION SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2011

ISSUE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES		RATE OF INTEREST	BALANCE JUNE 30, 2010	INCREASED	RETIRED	BALANCE JUNE 30, 2011
			DATE	AMOUNT					
School Bonds	8/15/2003	\$ 25,557,000.00	8/15/2011	\$ 925,000.00	4.75%	\$ 21,932,000.00	\$	\$ 20,032,000.00	\$ 1,900,000.00
	8/15/2012			\$ 975,000.00	4.75%				
Refunding Bonds Series 2006	4/2/2005	8,080,000.00	1/1/2012	385,000.00	4.00%				
			1/1/2013	400,000.00	5.00%				
			1/1/2014	425,000.00	5.00%				
			1/1/2015	445,000.00	5.00%				
			1/1/2016	475,000.00	5.00%				
			1/1/2017	495,000.00	5.00%				
			1/1/2018	525,000.00	5.00%				
			1/1/2019	555,000.00	5.00%				
			1/1/2020	580,000.00	5.00%				
			1/1/2021	615,000.00	5.00%				
			1/1/2022	655,000.00	5.00%				
		1/1/2023	690,000.00	5.00%		6,610,000.00	365,000.00	6,245,000.00	
Refunding Bonds Series 2010	11/10/2010	20,175,000.00	8/15/2011	135,000.00	2.000%				
			8/15/2012	140,000.00	2.000%				
			8/15/2013	1,155,000.00	3.000%				
			8/15/2014	1,195,000.00	3.000%				
			8/15/2015	1,225,000.00	3.000%				
			8/15/2016	1,265,000.00	4.000%				
			8/15/2017	1,310,000.00	4.000%				
			8/15/2018	1,330,000.00	4.000%				
			8/15/2019	1,325,000.00	4.000%				
			8/15/2020	1,315,000.00	4.000%				
			8/15/2021	1,310,000.00	4.000%				
			8/15/2022	1,295,000.00	3.000%				
			8/15/2023	1,275,000.00	3.125%				
			8/15/2024	240,000.00	4.000%				
		8/15/2025	1,015,000.00	3.250%					
		8/15/2026	1,175,000.00	3.500%					
		8/15/2027	1,155,000.00	3.625%					
		8/15/2028	1,125,000.00	4.000%					
						20,175,000.00	20,175,000.00	20,175,000.00	20,175,000.00
						\$ 28,642,000.00	\$ 20,397,000.00	\$ 28,320,000.00	\$ 28,320,000.00

TOWNSHIP OF UNION SCHOOL DISTRICT
DEBT SERVICE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

	2011			2010		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES:						
Local Sources:						
Local Tax Levy	\$ 1,832,700.00	\$ 1,832,700.00	\$	\$ 1,449,278.00	\$ 1,449,278.00	\$
Miscellaneous		12,795.04	12,795.01			
State sources:						
Debt Service Aid Type II	<u>125,610.00</u>	<u>125,610.00</u>		<u>147,562.00</u>	<u>147,562.00</u>	
Total Revenues	<u>\$ 1,958,310.00</u>	<u>\$ 1,971,105.04</u>	<u>\$ 12,795.01</u>	<u>\$ 1,596,840.00</u>	<u>\$ 1,596,840.00</u>	<u>\$</u>
EXPENDITURES:						
Regular debt service:						
Interest	\$ 1,347,757.00	\$ 1,078,846.70	\$ 268,910.30	\$ 1,397,881.00	\$ 1,397,881.25	\$ (0.25)
Redemption of Principal	<u>1,240,000.00</u>	<u>1,240,000.00</u>		<u>1,175,000.00</u>	<u>1,175,000.00</u>	
Total Regular Debt Service-Expenditures	<u>\$ 2,587,757.00</u>	<u>\$ 2,318,846.70</u>	<u>\$ 268,910.30</u>	<u>\$ 2,572,881.00</u>	<u>\$ 2,572,881.25</u>	<u>\$ (0.25)</u>
Excess (deficiency) of revenues over (under) expenditures	\$ (629,447.00)	\$ (347,741.66)	\$ 281,705.31	\$ (976,041.00)	\$ (976,041.25)	\$ 0.25
Other Financing Sources						
Operating Transfers in	572,702.00	572,702.00		825,000.00	827,134.80	2,134.80
Fund balance, July 1	<u>58,879.32</u>	<u>58,879.32</u>		<u>207,785.77</u>	<u>207,785.77</u>	
Fund balance, June 30	<u>\$ 2,134.32</u>	<u>\$ 283,839.66</u>	<u>\$ 281,705.31</u>	<u>\$ 56,744.77</u>	<u>\$ 58,879.32</u>	<u>\$ 2,135.05</u>

THIS PAGE INTENTIONALLY LEFT BLANK

**STATISTICAL SECTION
(UNAUDITED)**

THIS PAGE INTENTIONALLY LEFT BLANK

TOWNSHIP OF UNION SCHOOL DISTRICT
STATISTICAL SECTION

<u>Contents</u>	<u>Page</u>
Financial Trends:	
These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	J-1 to J-4
Revenue Capacity:	
These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	J-5 to J-9
Debt Capacity:	
These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information:	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 to J-15
Operating Information:	
These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20

Sources

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2009; schedules presenting district-wide information include information beginning in that year.

TOWNSHIP OF UNION SCHOOL DISTRICT
NET ASSETS BY COMPONENT
LAST FIVE FISCAL YEARS
(UNAUDITED)

	Fiscal Year Ending June 30, 2007	Fiscal Year Ending June 30, 2008	Fiscal Year Ending June 30, 2009	Fiscal Year Ending June 30, 2010	Fiscal Year Ending June 30, 2011
Governmental activities					
Invested in capital assets, net of related debt	\$ 23,003,426.22	\$ 24,996,992.34	\$ 27,817,438.79	\$ 30,501,543.03	\$ 34,136,548.56
Restricted	19,079,872.42	19,641,224.14	39,398,158.83	30,729,385.74	31,360,471.83
Unrestricted	(2,273,115.71)	(2,931,011.22)	(5,581,514.22)	(5,482,805.81)	(3,842,314.54)
Total governmental activities net assets	\$ 39,810,182.93	\$ 41,707,205.26	\$ 61,634,063.40	\$ 55,748,122.96	\$ 61,654,705.85
Business-type activities					
Invested in capital assets, net of related debt	\$ 400,799.23	\$ 341,989.63	\$ 283,747.70	\$ 272,306.15	\$ 239,154.55
Restricted	-	-	-	-	-
Unrestricted	3,235,954.37	19,063,155.48	2,174,533.47	2,147,079.46	2,163,203.04
Total business-type activities net assets	\$ 3,636,753.60	\$ 19,405,145.11	\$ 2,458,281.17	\$ 2,419,385.61	\$ 2,402,357.59
District-wide					
Invested in capital assets, net of related debt	\$ 23,404,225.45	\$ 25,338,981.97	\$ 28,101,186.49	\$ 30,773,849.18	\$ 34,375,703.11
Restricted	19,079,872.42	19,641,224.14	39,398,158.83	30,729,385.74	31,360,471.83
Unrestricted	962,838.66	16,132,144.26	(3,406,980.75)	(3,335,726.35)	(1,679,111.50)
Total district net assets	\$ 43,445,936.53	\$ 61,112,350.37	\$ 64,092,364.57	\$ 58,167,508.57	\$ 64,057,063.44

This Schedule does not contain ten years of information as GASB #44 was implemented during this fiscal year ending June 30, 2006.

Source: School District Financial Reports

TOWNSHIP OF UNION SCHOOL DISTRICT
CHANGES IN NET ASSETS, LAST FIVE FISCAL YEARS
(UNAUDITED)
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30				
	2007	2008	2009	2010	2011
Expenses					
Governmental activities					
Instruction					
Regular	\$ 47,343,333.62	\$ 48,706,203.66	\$ 48,358,573.91	\$ 50,556,603.72	\$ 52,376,918.86
Special education	8,712,550.48	9,157,099.34	9,179,863.22	9,901,269.57	10,439,297.04
Other education	3,383,285.96	3,685,686.19	4,536,901.58	4,893,650.54	5,043,022.30
Support Services:					
Tuition	9,187,462.89	10,190,049.86	9,864,915.31	9,935,515.03	8,628,490.76
Student & instruction related services	12,589,244.15	13,267,777.97	13,473,516.81	14,684,445.46	14,750,834.05
General administration	2,923,974.35	2,971,426.03	2,604,390.31	2,956,194.77	2,984,890.34
School Administrative Services	6,339,516.71	6,673,327.09	6,545,847.89	7,058,065.87	7,198,559.12
Plant Operations and Maintenance	9,984,935.39	11,050,890.32	10,781,097.38	10,603,395.50	10,385,492.69
Pupil transportation	5,306,702.65	5,589,295.74	5,360,970.34	5,192,921.90	4,671,127.84
Other support services	271,947.67	288,110.28	250,351.27	267,094.77	288,093.28
Interest on long-term debt	1,925,048.29	1,488,975.00	1,434,563.81	1,386,498.69	1,041,957.64
Charter Schools		22,478.00	20,683.00	8,745.00	
Total governmental activities expenses	\$ 107,868,002.16	\$ 114,111,319.56	\$ 112,411,674.83	\$ 117,442,400.82	\$ 117,809,683.92
Business-type activities:					
Food service	\$ 2,663,206.20	\$ 2,936,066.82	\$ 2,994,870.37	\$ 3,026,442.58	\$ 2,988,181.14
Food service expense	2,663,206.20	2,936,066.82	2,994,870.37	3,026,442.58	2,988,181.14
Total business-type activities expense	\$ 2,663,206.20	\$ 2,936,066.82	\$ 2,994,870.37	\$ 3,026,442.58	\$ 2,988,181.14
Total district expenses	\$ 110,531,208.36	\$ 117,047,386.40	\$ 115,406,545.20	\$ 120,468,843.40	\$ 120,797,865.06
Program Revenues					
Governmental activities:					
Charges for services:					
Operating grants and contributions	\$ 6,765,844.13	\$ 9,797,581.73	\$ 6,489,259.45	\$ 7,176,241.44	\$ 7,381,358.08
Program revenues	6,765,844.13	9,797,581.73	6,489,259.45	7,176,241.44	7,381,358.08
Total governmental activities program revenues	\$ 6,765,844.13	\$ 9,797,581.73	\$ 6,489,259.45	\$ 7,176,241.44	\$ 7,381,358.08
Business-type activities:					
Charges for services					
Food service	\$ 1,783,506.01	\$ 1,778,484.89	\$ 1,604,173.56	\$ 1,604,611.62	\$ 1,563,825.51
C.A.S.T.	10,416.60	1,063.89			
Operating grants and contributions	955,000.36	1,082,614.68	1,322,153.82	1,378,474.92	1,402,533.57
Program revenues	2,748,922.97	2,862,153.46	2,926,327.38	2,983,086.54	2,966,359.08
Total business type activities program revenues	\$ 2,748,922.97	\$ 2,862,153.46	\$ 2,926,327.38	\$ 2,983,086.54	\$ 2,966,359.08
Total district program revenues	\$ 9,514,767.10	\$ 12,659,735.19	\$ 9,415,586.83	\$ 10,159,327.98	\$ 10,347,717.16

TOWNSHIP OF UNION SCHOOL DISTRICT
CHANGES IN NET ASSETS - LAST FIVE FISCAL YEARS
(UNAUDITED)

	Fiscal Year Ending June 30				
	2007	2008	2009	2010	2011
Net (Expense)-Revenue					
Governmental activities	\$ (100,902,158.03)	\$ (104,313,737.85)	\$ (105,922,415.38)	\$ (110,266,159.38)	\$ (110,428,325.84)
Business-type activities	85,716.77	(73,813.96)	(68,542.99)	(43,356.04)	(21,922.06)
Total district-wide net expense	\$ (100,816,441.26)	\$ (104,387,551.21)	\$ (105,990,958.37)	\$ (110,309,515.42)	\$ (110,450,147.90)
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Property taxes levied for general purposes, net	\$ 63,712,897.00	\$ 68,832,048.00	\$ 72,223,280.00	\$ 73,473,280.00	\$ 75,443,054.00
Taxes levied for debt service	2,389,737.00	2,546,935.00	2,267,313.00	1,449,278.00	1,832,700.00
Grants and contributions	27,793,613.31	26,752,890.18	32,816,581.11	28,782,469.93	38,016,690.81
Miscellaneous income	2,095,400.50	1,990,218.79	1,146,618.57	650,667.94	1,028,605.14
Gain on Disposal of Fixed Assets					13,858.78
Transfers	(88,256.92)	(6,704.89)			
Total governmental activities	\$ 95,903,390.89	\$ 100,115,386.98	\$ 108,453,792.68	\$ 104,335,695.87	\$ 116,334,908.73
Business-type activities:					
Investment earnings	\$ 42,726.78	\$ 115,290.06	\$ 523,848.39	\$ 50,323.55	\$ 4,794.04
Loss on disposal of fixed assets			(6,668.50)	(1,360.00)	
Transfers	42,726.78	(2,566.66)			
Total business-type activities	\$ 42,726.78	\$ 112,723.40	\$ 517,179.89	\$ 48,963.55	\$ 4,794.04
Total district-wide	\$ 95,946,117.67	\$ 100,228,110.38	\$ 108,970,972.57	\$ 104,384,659.42	\$ 116,339,702.77
Change in Net Assets					
Governmental activities	\$ (4,988,767.14)	\$ (4,198,350.87)	\$ 2,531,377.30	\$ (5,930,463.51)	\$ 5,906,582.89
Business-type activities	128,443.55	38,810.04	448,636.90	5,607.51	(17,028.02)
Total district	\$ (4,870,323.59)	\$ (4,159,540.83)	\$ 2,980,014.20	\$ (5,924,856.00)	\$ 5,889,554.87

Notes
This Schedule does not contain ten years of information as GASB #44 was implemented during fiscal year ending June 30, 2006.
Source: District records.

TOWNSHIP OF UNION SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS
YEAR ENDING JUNE 30
(UNAUDITED)
(Modified Accrual Basis of Accounting)

	<u>2011</u>
General Fund	
Restricted for:	
Excess Surplus - Current Year	\$ 7,179,107.02
Capital Reserve Account	3,420,466.77
Maintenance Reserve	250,000.00
Emergency Reserve	1,000,000.00
Committed to:	
Designated for Subsequent Years Expenditures	949,909.00
Assigned to:	
Encumbrances	795,330.50
Unassigned	<u>(1,192,189.54)</u>
Total General Fund	\$ <u><u>12,402,623.75</u></u>
All Other Governmental Funds	
Restricted for:	
Debt Service	\$ 283,839.66
Capital Purposes	16,231,280.02
Assigned to:	
Year End Encumbrances	<u>1,505,568.55</u>
Total All Other Governmental Funds	\$ <u><u>18,020,688.23</u></u>

This Schedule does not contain ten years of information as GASB #54 was implemented during this fiscal year ending June 30, 2011.

Source: School District Financial Reports

TOWNSHIP OF UNION SCHOOL DISTRICT
 CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

LAST FIVE FISCAL YEARS

UNAUDITED

(Modified Accrual Basis Accounting)

	Fiscal Year Ended June 30				
	2007	2008	2009	2010	2011
Revenues					
Local Tax Levy	\$ 71,378,983.00	\$ 74,577,529.00	\$ 74,490,593.00	\$ 74,922,558.00	\$ 77,275,794.00
Tuition - Charges	104,988.90	113,741.00	143,598.28	164,819.21	211,139.46
Transportation Fees	15,653.10	2,152.50	1,242.50	5,004.00	9,345.00
Interest on Capital Reserve	71,782.77	43,335.87	350,557.78	35,408.49	31,661.22
Miscellaneous	1,797,794.02	1,650,863.19	1,053,429.35	491,299.31	776,459.46
State Sources	33,755,973.19	36,744,197.17	36,005,632.75	28,066,733.24	41,076,682.44
Federal Sources	2,794,498.72	2,879,469.98	3,300,207.81	7,871,978.13	4,321,396.45
Total Revenue	\$ 109,919,673.70	\$ 116,011,288.71	\$ 115,345,221.47	\$ 111,557,800.38	\$ 123,702,408.03
Expenditures					
Instruction:					
Regular	\$ 33,764,130.29	\$ 35,312,043.57	\$ 35,842,441.28	\$ 37,043,262.45	\$ 37,925,855.55
Special	6,256,709.11	6,555,122.86	6,919,687.00	7,460,495.28	7,829,276.09
Other	2,401,862.09	2,663,326.72	3,606,860.86	3,893,404.02	3,972,437.25
Support services:					
Tuition	9,187,462.89	10,190,049.96	9,864,915.31	9,935,515.03	8,628,490.76
Student & Instruction related services	10,031,840.54	10,553,575.04	11,125,347.93	12,147,808.06	12,038,502.96
General and business administrative services	2,166,753.40	2,168,022.61	1,911,536.81	2,201,545.01	2,184,278.49
School administrative services	4,360,167.19	4,570,913.22	4,743,175.40	5,106,443.95	5,114,441.38
Plant operations and maintenance	7,852,704.22	8,792,643.45	8,815,648.60	8,466,321.73	8,116,213.65
Pupil transportation	4,743,594.59	5,002,890.88	4,841,969.05	4,650,183.89	4,071,888.65
Business and other support services					
Unallocated benefits	23,716,206.34	24,981,914.84	21,565,379.95	23,550,253.13	25,622,615.07
Capital outlay	1,553,198.47	2,254,320.15	3,485,355.78	3,387,463.82	4,397,348.18
Capital outlay - principal					
Debt Service:					
Principal - Lease Purchase Agreement	382,812.50	400,000.00			
Interest - Lease Purchase Agreement	24,484.38	13,000.00			
Principal	985,000.00	1,045,000.00	1,115,000.00	1,175,000.00	1,240,000.00
Interest	1,611,460.00	1,489,250.00	1,445,481.25	1,397,881.25	1,078,846.70
transfer of Funds to Charter Schools		22,478.00	20,683.00	8,745.00	
Total Expenditures	\$ 109,038,386.01	\$ 116,014,551.30	\$ 115,303,462.22	\$ 120,424,322.62	\$ 122,220,194.73
Excess (Deficiency) of Revenues					
Over (under) expenditures	\$ 881,287.69	\$ (3,262.59)	\$ 41,739.25	\$ (8,866,522.24)	\$ 1,482,213.30
Other Financing Sources (uses)					
Transfers in	\$ 229,742.85	\$ 151,131.91	\$ 17,611,292.93	\$ 2,544,014.83	\$ 12,572,702.00
Transfers out	(229,742.85)	(151,131.91)	(611,292.93)	(2,544,014.83)	(12,572,702.00)
Total Other financing sources (uses)	\$ -	\$ -	\$ 17,000,000.00	\$ -	\$ -
Net change in fund balances	\$ 881,287.69	\$ (3,262.59)	\$ 17,041,739.25	\$ (8,866,522.24)	\$ 1,482,213.30
Debt service as a percentage of non-capital expenditures					

This Schedule does not contain ten years of information as GASB #44 was implemented during this fiscal year ending June 30, 2006.

TOWNSHIP OF UNION SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

<u>FISCAL YEAR</u> <u>ENDED JUNE 30</u>	<u>REFUNDS</u> <u>AND</u> <u>CANCELLATIONS</u>	<u>TUITION</u>	<u>RENTAL</u> <u>INCOME</u>	<u>INTEREST ON</u> <u>INVESTMENTS</u>	<u>MISCELLANEOUS</u>	<u>TOTAL</u>
2011	453,401.69	211,139.46	145,294.62	72,134.87	30,202.43	912,173.07
2010	193,459.03	164,819.21	140,263.16	35,408.49	116,030.43	649,980.32
2009	256,667.28	143,558.28	161,231.77	874,406.17	28,153.25	1,464,016.75
2008	408,536.15	113,741.00	136,079.04	941,341.43	29,547.17	1,629,244.79
2007	410,238.99	104,988.90	136,245.95	995,612.27	16,519.38	1,663,605.49
2006	518,884.30	143,301.10	133,590.16	757,414.49	102,983.15	1,656,173.20
2005	109,759.75	159,735.08	153,182.71	404,744.47	35,545.70	862,967.71
2004	397,599.55	235,931.49	133,545.72	261,214.89	35,806.70	1,064,098.35
2003	391,056.78	150,098.70	160,274.48	321,908.28	114,806.63	1,138,144.87
2002	377,836.48	245,862.45	1,657,838.31	482,082.87	44,675.20	2,808,295.31

Source: District Records

TOWNSHIP OF UNION SCHOOL DISTRICT
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST SIX YEARS
UNAUDITED

YEAR ENDED JUNE 30	VACANT LAND	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	TAX EXEMPT PROPERTY	PUBLIC UTILITIES	NET VALUATION TAXABLE	EQUALIZED VALUE)
2006	\$ 4,310,000.00	\$ 737,126,500.00	\$ 196,306,400.00	\$ 103,873,900.00	\$ 21,474,800.00	\$ 1,063,091,600.00	\$ 189,844,200.00	\$ 1,906,690.00	\$ 1,064,998,290.00	\$ 7,098,646,343.00
2007	\$ 4,417,900.00	\$ 739,367,800.00	\$ 194,116,500.00	\$ 102,058,600.00	\$ 21,539,000.00	\$ 1,061,499,800.00	\$ 190,388,600.00	\$ 1,585,067.00	\$ 1,063,084,867.00	\$ 7,710,370,833.00
2008	\$ 7,688,100.00	\$ 741,040,200.00	\$ 190,999,300.00	\$ 100,159,600.00	\$ 20,913,700.00	\$ 1,060,801,900.00	\$ 181,499,100.00	\$ 1,495,970.00	\$ 1,062,297,870.00	\$ 7,710,370,833.00
2009	\$ 7,688,100.00	\$ 741,040,200.00	\$ 190,999,300.00	\$ 100,159,600.00	\$ 20,913,700.00	\$ 1,060,801,900.00	\$ 181,499,100.00	\$ 1,495,970.00	\$ 1,062,297,870.00	\$ 7,325,268,438.00
2010	\$ 5,219,200.00	\$ 743,316,700.00	\$ 188,371,200.00	\$ 96,046,700.00	\$ 20,751,500.00	\$ 1,053,705,300.00	\$ 184,054,100.00	\$ 1,632,739.00	\$ 1,055,338,039.00	\$ 7,086,114,996.00
2011	\$ 4,925,900.00	\$ 741,672,200.00	\$ 186,972,400.00	\$ 93,708,500.00	\$ 20,751,500.00	\$ 1,048,030,500.00	\$ 182,056,000.00	\$ 1,604,756.00	\$ 1,049,635,256.00	\$ 7,058,744,156.00

This Schedule does not contain ten years of information as GASB #44 was implemented during this fiscal year ending June 30, 2006.

Source: Municipal Tax Assessor

Note: Real Property is required to be assessed at some percentage of true value (fair or market value) established by the County Board of Taxation.

Reassessments occur when ordered by the County Board of Taxation.

- a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies
- b Tax rates are per \$100.00

TOWNSHIP OF UNION SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
UNAUDITED
 (RATE PER \$100 OF ASSESSED VALUATION)

YEAR ENDED DECEMBER 31,	UNION TOWNSHIP SCHOOL DISTRICT DIRECT RATE				OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE
	BASIC RATE	GENERAL OBLIGATION DEBT SERVICE	TOTAL DIRECT	UNION TOWNSHIP	UNION COUNTY	UNION COUNTY	UNION COUNTY	
2010	\$ 7.15	\$ 0.17	\$ 7.32	\$ 5.89	\$ 2.68	\$ 2.68	\$ 15.89	
2009	6.95	0.14	7.09	5.67	2.59	2.59	15.35	
2008	6.80	0.21	7.01	5.45	2.52	2.52	14.98	
2007	6.80	0.22	7.02	5.09	2.34	2.34	14.45	
2006	6.46	0.24	6.70	4.88	2.34	2.34	13.92	
2005	5.98	0.22	6.21	4.51	2.13	2.13	12.85	
2004	5.52	0.25	5.77	4.33	2.08	2.08	12.18	
2003	5.38	0.10	5.48	4.00	1.91	1.91	11.39	
2002	5.19	0.12	5.31	3.79	1.67	1.67	10.77	
2001	5.010		5.010	3.490	1.530	1.530	10.03	

Source: Township Audits and Audited Financial Statements.

Note:

NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.

b Rates for debt service are based on each year's requirements.

TOWNSHIP OF UNION SCHOOL DISTRICT
SCHEDULE OF PRINCIPAL TAXPAYERS
CURRENT YEAR
UNAUDITED

<u>TAXPAYER</u>	<u>ASSESSED</u> <u>VALUATION</u> <u>2010</u>	<u>AS A %</u> <u>OF DISTRICT'S</u> <u>NET ASSESSED</u> <u>VALUATION</u>
MERCK Corporation	\$ 26,328,600.00	2.51%
Union Mill Run, LLC	10,450,000.00	1.00%
Union VF, LLC	9,076,000.00	0.86%
Union 22 Plaza	8,928,600.00	0.85%
McMinn - L. Robins, Trustee	7,250,000.00	0.69%
VNO 2445 Springfield Ave.	6,948,000.00	0.66%
Bed, Bath & Beyond	4,010,000.00	0.38%
Liberty Hall Joint Venture	3,855,600.00	0.37%
Target Corporation	3,372,700.00	0.32%
Dayton Hudson Corp	3,029,400.00	0.29%
<u>TOTAL</u>	\$ <u>83,248,900.00</u>	<u>7.93%</u>

Source: Township of Union

TOWNSHIP OF UNION SCHOOL DISTRICT
MUNICIPAL PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
UNAUDITED

<u>YEAR ENDED</u> <u>DECEMBER 31</u>	<u>TOTAL TAX</u> <u>LEVY</u>	<u>CURRENT TAX</u> <u>COLLECTIONS</u>	<u>PERCENT OF TAX</u> <u>LEVY COLLECTED</u>
2010	\$ 167,931,475.37	\$ 165,150,137.80	\$ 98.34%
2009	162,482,513.15	159,046,705.30	97.89%
2008	159,565,425.96	156,461,222.75	98.05%
2007	154,081,787.79	151,141,859.20	98.09%
2006	148,301,111.88	145,216,448.75	97.92%
2005	137,806,412.89	135,304,285.91	98.18%
2004	130,373,036.99	128,450,891.08	98.53%
2003	121,988,508.60	119,290,707.60	97.79%
2002	114,958,130.82	112,404,891.58	97.78%
2001	106,805,841.31	104,202,956.37	97.56%

Source: Township Audits and Audited Financial Statements

- a School taxes are collected by the Municipal Tax Collector
Under New Jersey State Statute, a municipality is required
To remit to the school district the entire property tax balance
in the amount voted upon or certified prior to the end of school year.

TOWNSHIP OF UNION SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED

Year Ended June 30,	Governmental Activities				Business-Type Activities	Total District	Percentage of Personal Income ^a	
	General Obligation Bonds ^b	Capital Leases	Lease Purchase Agreements	Bond Anticipation Notes (BANs)	Capital Leases		Income ^a	Per Capita ^a
2002	\$ 9,435,000.00	\$ 837,316.48	\$ 2,285,000.00	\$	\$	\$ 12,557,316.48	0.57%	\$ 228.02
2003	8,735,000.00	2,586,086.54				11,321,086.54	0.50%	205.04
2004	34,052,000.00	2,029,849.27				36,081,849.27	1.55%	657.52
2005	33,907,000.00	1,274,486.16				35,181,486.16	1.47%	645.66
2006	32,862,000.00	782,812.50		7,000,000.00		40,644,812.50	1.57%	760.78
2007	31,877,000.00	400,000.00		2,400,000.00		34,677,000.00	1.27%	645.06
2008	30,832,000.00					30,832,000.00	1.11%	574.44
2009	29,717,000.00					29,717,000.00	1.13%	553.70
2010	28,542,000.00					28,542,000.00	**	503.90
2011	28,320,000.00					28,320,000.00	**	**

Source: School District Financial Reports

** Not available

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

- a** See Exhibit J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- b** Includes Early Retirement Incentive Plan (ERIP) refunding

TOWNSHIP OF UNION SCHOOL DISTRICT
RATIO OF NET GENERAL BONDED DEBT
TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
UNAUDITED

<u>General Bonded Debt Outstanding</u>					
<u>FISCAL YEAR</u> <u>ENDED JUNE 30</u>	<u>General</u> <u>Obligation</u> <u>Bonds</u>	<u>Deductions</u>	<u>Net General</u> <u>Bonded Debt</u> <u>Outstanding</u>	<u>Percentage of</u> <u>Actual Taxable</u> <u>Value of Property</u>	<u>NET BONDED</u> <u>DEBT</u> <u>PER CAPITA</u>
2011	\$ 28,320,000.00	\$ -0-	\$ 28,320,000.00	2.70%	\$ **
2010	28,542,000.00	-0-	28,542,000.00	2.70%	503.90
2009	29,717,000.00	-0-	29,717,000.00	2.81%	553.70
2008	30,832,000.00	-0-	30,832,000.00	2.90%	574.44
2007	31,877,000.00	-0-	31,877,000.00	3.00%	592.97
2006	33,862,000.00	-0-	33,862,000.00	3.18%	615.24

This Schedule does not contain ten years of information as GASB #44 was implemented during this fiscal year ending June 30, 2006.

** Not available at time of audit

Source: School District Financial Reports

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements

a See Exhibit J-6 for property tax data.

b Population data can be found in Exhibit J-14

TOWNSHIP OF UNION SCHOOL DISTRICT
 RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 AS OF JUNE 30, 2011
 UNAUDITED

<u>Governmental Unit</u>	Debt Outstanding	Estimated Percentage Applicable *	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes			
Township of Union (12/31/2010)	\$ 40,156,313.90	100.00%	\$ 40,156,313.90
Union County General Obligation Debt	518,597,518.33	10.064%	<u>52,191,654.24</u>
Subtotal, Overlapping Debt			92,347,968.14
Union Township School District Debt			<u>28,320,000.00</u>
Total Direct and Overlapping Bonded Debt			<u>\$ 120,667,968.14</u>

Sources: Assessed value data used to estimate applicable percentages provided by the Union County Board of Taxation.
 Debt outstanding data provided by each governmental unit.

Note Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping businesses of the Township of Union. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

TOWNSHIP OF UNION SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST FOUR FISCAL YEARS
 UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2010

YEAR	Legal Debt Margin Calculation for Fiscal year 2010
2010	\$ 7,086,114,997.00
2009	7,323,735,600.00
2008	7,743,079,562.00
	<u>\$ 22,152,930,159.00</u>
	<u>\$ 7,384,310,053.00</u>
	\$ 295,372,402.12 ^a
	<u>28,320,000.00</u>
	<u>\$ 267,052,402.12</u>

Average equalized valuation of taxable property

Debt Limit (4% of \$7,384,310,053.00)

Net Bonded school debt

Legal debt margin

	2007	2008	2009	2010
Debt Limit	\$ 253,534,219.44	\$ 281,289,886.97	\$ 303,674,679.04	\$ 295,372,402.12
Total net debt applicable to limit	<u>31,877,000.00</u>	<u>30,832,000.00</u>	<u>28,542,000.00</u>	<u>28,320,000.00</u>
Legal Debt margin	<u>\$ 221,657,219.44</u>	<u>\$ 250,457,886.97</u>	<u>\$ 275,132,679.04</u>	<u>\$ 267,052,402.12</u>

Total net debt applicable to the limit as a percentage of debt limit

12.57%

10.96%

9.40%

9.59%

Source:

Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

Limit set by NJSA 18A:24-19 for a K through 12 district, other % limits would be applicable for other district types.

TOWNSHIP OF UNION SCHOOL DISTRICT
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

<u>YEAR ENDED</u> <u>DECEMBER 31</u>	<u>SCHOOL</u> <u>DISTRICT</u> <u>POPULATION</u>	<u>PERSONAL</u> <u>INCOME *</u> <u>(THOUSANDS OF</u> <u>DOLLARS)</u>	<u>UNION COUNTY</u> <u>PER CAPITA</u> <u>INCOME *</u>	<u>UNEMPLOYMENT</u> <u>RATE</u>
2010	56,642		**	9.60%
2009	53,670		49,040.00	9.10%
2008	53,335		51,815.00	5.30%
2007	53,362		51,054.00	4.40%
2006	53,723		49,062.00	4.40%
2005	54,140		44,586.00	4.20%
2004	54,558		43,045.00	3.80%
2003	54,927		41,661.00	4.70%
2002	54,819		40,848.00	4.80%
2001	54,835		40,479.00	3.40%

** Not available at time of audit

Source:

a Population information provided by the NJ Dept of Labor and Workforce Development

b Personal income has been estimated based upon the municipal population and per capita personal income presented

c Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

d Unemployment data provided by the NJ Dept of Labor and Workforce Development

EXHIBIT J-15

TOWNSHIP OF UNION SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR
UNAUDITED

2011

<u>Employer</u>	<u>Employees</u>	<u>Rank [Optional]</u>	<u>Percentage of Total Municipal Employment</u>
Union Board of Education	1,050	2	0.43%
Cintas Corporation	190	9	0.08%
Costco	200	8	0.75%
Emiliani Enterprises	275	6	0.11%
Lowes Home Improvement	300	5	1.12%
Mulberry Metal Products	150	10	0.06%
Planet Honda	136	11	0.06%
Merck	1,400	1	0.58%
Union Township	465	4	0.19%
Union Center National Bank	214	7	0.09%
	<u>4,380</u>		<u>3.46%</u>

Source:

TOWNSHIP OF UNION SCHOOL DISTRICT
 FULL TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION /PROGRAM
 LAST SIX FISCAL YEARS
 UNAUDITED

<u>Function/Program</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Instruction:						
Regular	533	582	503	578	565	552
Special education	151	162	154	105	101	121
Other special education			10	10	11	12
Other instruction						13
Nonpublic school programs						1
Support Services:						
Student & instruction related services	170	172	153	150	144	143
General administration	14	14	12	13	12	11
School administrative services	48	50	51	48	48	45
Central services	10	9	9	8	8	8
Administrative Information Technology	7	7	5	4	4	2
Plant operations and maintenance	146	136	132	92	94	93
Pupil transportation	74	80	83	85	85	85
Total	1,153	1,212	1,112	1,093	1,072	1,086

This Schedule does not contain ten years of information as GASB #44 was implemented during this fiscal year ending June 30, 2006.

Source: District Personnel Records

TOWNSHIP OF UNION SCHOOL DISTRICT

OPERATING STATISTICS
LAST SIX FISCAL YEARS
UNAUDITED

FISCAL YEAR	a		% CHANGE	TEACHING STAFF	Pupil/Teacher Ratio d				AVERAGE DAILY ENROLLMENT	AVERAGE DAILY ATTENDANCE	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
	ENROLLMENT	OPERATING EXPENDITURES			COST PER PUPIL	ELEMENTARY SCHOOL	MIDDLE SCHOOL	HIGH SCHOOL				
2011	7,702	\$ 115,503,999.85	-0.85%	665	1:11	1:11	1:11	7,530.5	7,129.50	-2.97%	94.67%	
2010	7,568	114,463,977.55	6.20%	685	1:11	1:10	1:11	7,760.7	7,353.70	-0.01%	94.76%	
2009	7,672	109,257,645.19	1.42%	667	1:15	1:12	1:12	7,761.2	7,337.00	-1.67%	94.53%	
2008	7,893	110,829,244.03	6.79%	693	1:14	1:13	1:13	7,893.0	7,443.00	-0.32%	94.30%	
2007	7,946	104,481,430.66	5.37%	651	1:14	1:13	1:13	7,918.3	7,471.60	-0.71%	94.36%	
2006	7,877	98,292,696.05		660	1:20	1:24	1:21	7,975.3	7,541.00		94.55%	

This schedule does not contain ten years of information as GASB #44 was implemented during this fiscal year ending June 30, 2006.

Source: District Records

Note: Enrollment based on annual October district count

- a Operating expenditures equal total expenditures less debt service and capital outlay
- b Teaching staff includes only full-time equivalents of certificate staff
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS) School Report Card
- d

TOWNSHIP OF UNION SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
FISCAL YEAR 2011
UNAUDITED
(Modified Accrual Basis of Accounting)

2011

District Building

Elementary

Battle Hill

Square Feet 51,983
Capacity (students) 396
Enrollment 465

Connecticut Farms

Square Feet 50,839
Capacity (students) 398
Enrollment 458

Franklin

Square Feet 55,065
Capacity (students) 427
Enrollment 484

Hannah Caldwell

Square Feet 87,000
Capacity (students) 529
Enrollment 571

Livingston

Square Feet 49,232
Capacity (students) 377
Enrollment 403

Washington

Square Feet 53,259
Capacity (students) 415
Enrollment 577

Central Five

Square Feet 55,524
Capacity (students) 410
Enrollment 513

Middle School

Burnet

Square Feet 147,996
Capacity (students) 1,064
Enrollment 1,016

Kawameeh

Square Feet 97,257
Capacity (students) 657
Enrollment 661

High School

Union High School

Square Feet 358,161
Capacity (students) 1,954
Enrollment 2,420

TOWNSHIP OF UNION SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
FISCAL YEAR 2011
(CONTINUED)

(Modified Accrual Basis of Accounting)

District Building

Other

Hamilton

Square Feet 35,328
Capacity (students)
Enrollment

Field House

Square Feet 11,316
Capacity (students)
Enrollment

Administration Building

Square Feet 25,200

Number of Schools at June 30, 2011

Elementary = 7
Middle School = 2
Senior High School = 1
Other = 1

Source: District Facilities Office

TOWNSHIP OF UNION SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST FOUR FISCAL YEARS
UNAUDITED

UNDISTRIBUTED EXPENDITURES - REQUIRED
MAINTENANCE FOR SCHOOL FACILITIES
11-000-261-XXX

<u>School Facilities</u>	<u>Project #</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Battle Hill	N/A	\$ 24,997.10	\$ 35,389.06	\$ 38,588.97	\$ 34,819.04
Connecticut Farms	N/A	15,248.97	22,806.17	20,198.70	14,780.14
Franklin	N/A	59,195.65	45,414.09	26,324.66	43,977.07
Central Five	N/A	10,127.82	24,632.39	44,616.07	12,371.75
Hamilton	N/A	7,136.06	21,708.66	9,168.84	14,408.28
Livingston	N/A	37,799.02	25,491.54	32,854.49	16,110.20
Washington	N/A	16,175.11	15,664.06	18,494.44	33,010.46
Kawameeh	N/A	26,807.53	26,045.97	41,878.29	31,481.82
Union High School	N/A	80,540.42	132,853.94	137,457.79	178,262.77
Burnet	N/A	42,978.06	50,981.57	61,983.29	129,636.94
Hannah Caldwell	N/A	31,744.53	47,191.75	41,313.09	55,884.91
		\$ <u>352,750.27</u>	\$ <u>448,179.20</u>	\$ <u>472,878.63</u>	\$ <u>564,743.38</u>
District Wide Facilities	N/A	\$ <u>975,751.59</u>	\$ <u>1,130,639.56</u>	\$ <u>74,302.44</u>	\$ <u>82,811.84</u>
		\$ <u>1,328,501.86</u>	\$ <u>1,578,818.76</u>	\$ <u>547,181.07</u>	\$ <u>647,555.22</u>

In Fiscal Year 2011, function 261 includes maintenance salaries which in previous years was reported in function 262.

School facilities as defined under EFCFA.
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

This Schedule does not contain ten years of information as GASB #44 was implemented during this fiscal year ending June 30, 2006.

Source: District records

TOWNSHIP OF UNION SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2011
UNAUDITED

	<u>COMPANY</u>	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
Commercial Package Policy			
Property:			
American Guarantee & Liability Insurance Company			
All Buildings and Personal Property		\$174,828,727	\$5,000
Demolition Coverage		2,000,000	
Increased Cost of Construction		2,000,000	
Newly Acquired Property - Building		1,000,000	
Newly Acquired Business Personal Property		500,000	
Extra Expenses - Various		5,000,000	
Flood - Zone A, B or V		5,000,000	50,000
Flood - Zone A, B, or V		1,000,000	500,000
Flood - Zone B		2,000,000	100,000
Earthquake		5,000,000	5%
			5,000
			5,000
			25,000
			5,000
Electronic Data Processing Equipment		3,000,000	
Boiler and Machinery		75,000,000	5,000
American Guarantee & Liability Insurance Company			
General Liability:			
General Aggregate		2,000,000	
Products Completed Operations, Aggregate Limit		2,000,000	
Personal and Advertising Injury limit		1,000,000	
Each Occurrence		1,000,000	
Fire Damage		1,000,000	
Medical Expense Limit		10,000	
American Guarantee & Liability Insurance Company			
Employee Benefits:			
Program Liability:			
Each Claim		1,000,000	1,000
Aggregate		1,000,000	
Commercial Umbrella:			
American Guarantee & Liability Insurance Company			
General Liability		10,000,000	10,000
American Guarantee & Liability Insurance Company			
Business Auto Liability:			
Liability Limit		1,000,000	
Uninsured/ Underinsured Motorist		1,000,000	
Physical Damage Collision		Actual Cash Value	500
Comprehensive		Actual Cash Value	500
American Zurich Insurance Company			
Public Employees Comprehensive Crime Coverage:			
Faithful Performance Blanket		500,000	5,000
Depositors Forgery or Alteration		50,000	1,000
Computer Fraud		50,000	1,000
ACE American Insurance Company			
School Leaders Legal Liability:			
Each occurrence		10,000,000	25,000
Aggregate		10,000,000	

TOWNSHIP OF UNION SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2011
UNAUDITED

	<u>COMPANY</u>	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
Workers Compensation:	New Jersey School Board Association Insurance Group		
Employers Liability			
Each Accident		\$2,000,000	
Disease Limit		2,000,000	
Disease Per Employee		2,000,000	
Compensation Benefits		NJ Statutory	
Surety Bonds :	Travelers Insurance Co.		
Treasurer		530,000	
Board Secretary/Attorney		10,000	
Business Administrator		10,000	

Source: Union Township Board of Education

SINGLE AUDIT SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

"EXHIBIT K-1"

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Honorable President and Members
of the Board of Education
Township of Union
County of Union
Union, New Jersey 07083

We have audited the basic financial statements of the Township of Union School District, County of Union, New Jersey as of and for the fiscal year ended June 30, 2011 and have issued our report thereon dated October 28, 2011. We conducted our audit in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township of Union School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township of Union School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township of Union School District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, such that there is a possibility that a material misstatement of the Township of Union School District's financial statements will not be prevented or detected on a timely basis.

SUPLEE, CLOONEY & COMPANY

Our consideration of internal control over financial reporting was limited for the purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over financial reporting which are described and reported to the Board of Education of the Township of Union School District in a separate Auditor's Management Report on Administrative Findings - Financial and Compliance dated October 28, 2011.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Union School District's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended for the information of the Township of Union School District, County of Union, New Jersey, the New Jersey State Department of Education and federal and state audit awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 93

October 28, 2011



SUPLEE, CLOONEY & COMPANY

"EXHIBIT K-2"

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL
AND STATE FINANCIAL ASSISTANCE PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04**

Honorable President and Members
of the Board of Education
Township of Union
County of Union
Union, New Jersey 07083

Compliance

We have audited the compliance of the Township of Union School District with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the New Jersey State Grant Compliance Supplement that are applicable to each of its major federal and state programs for the year ended June 30, 2011. Township of Union School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of Township of Union School District's management. Our responsibility is to express an opinion on Township of Union School District's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133 "Audits of States, Local Governments and Non-Profit Organizations" and State of New Jersey OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Township of Union School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Township of Union School District's compliance with those requirements.

SUPLEE, CLOONEY & COMPANY

In our opinion, the Township of Union School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended June 30, 2011.

Internal Control Over Compliance

The management of the Township of Union School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Township of Union School District's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township of Union School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information of the Township of Union School District, County of Union, New Jersey, the New Jersey State Department of Education, and federal and state audit awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 93

October 28, 2011

TOWNSHIP OF UNION SCHOOL DISTRICT
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
FOR THE FISCAL YEARS ENDED JUNE 30, 2011

FEDERAL CFDA NUMBER	FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	GRANT PERIOD	AWARD AMOUNT	BALANCE AT AT JUNE 30, 2010	CARRYOVER	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS	REPAYMENT OF PRIOR YEARS BALANCE	ACCOUNTS RECEIVABLE AT JUNE 30, 2011	DEFERRED REVENUE AT JUNE 30, 2011	DUE TO GRANTOR AT AT JUNE 30, 2011
84.410	U.S. Department of Education General Fund	7/01/10-6/30/11	\$ 1,068,094.00	\$ (46,894.91)		\$ 120,316.61	\$ (120,316.61)		\$	\$	\$	\$
83.778	ARRA- Education Jobs Fund	7/01/09-6/30/10	133,670.00	46,894.91		46,894.61						
83.778	Medical Assistance Program (SEM)	7/01/10-6/30/11	126,186.89			107,998.89	(126,186.89)			(18,181.23)		
	Total General Fund		\$ 1,327,950.89	\$ (46,894.91)		\$ 275,009.91	\$ (246,506.50)		\$	\$ (18,181.23)	\$	\$
84.010	U.S. Department of Education Passed-Through State Department of Education Special Revenue Fund	9/1/10-8/31/11	657,196.00									
84.010	Title I - Part A	9/1/09-8/31/10	708,996.00	(352,273.00)		352,273.00	(602,289.67)			(376,056.67)		
84.010	Title I - SIA	9/1/09-8/31/10								(27,860.90)		
84.389	ARRA-Title I - Part A	9/1/09-8/31/11	206,752.47			88,799.47	(27,860.90)			(27,860.90)		
84.387	ARRA-Title I - Part A	9/1/09-8/31/11	462,591.00	(65,742.53)		55,742.53	(191,026.80)			(101,226.33)		
84.387	Title II - Part A	9/1/09-8/31/10	237,605.00			96,891.00	(235,489.91)			(138,639.91)		
84.387	Title II - Part D	9/1/10-8/31/11	229,652.00	(109,245.00)		106,246.00						
84.387	Title III - English Language	9/1/09-8/31/10	7,220.00	(5,221.00)		5,221.00	(4,761.00)			(4,761.00)		
84.385	Title III - Immigrant	9/1/09-8/31/10	36,779.00	(6,460.00)		8,153.00	(18,827.76)			(11,674.76)		
84.186	Title IV - Safe and Drug Free Schools	9/1/10-8/31/11	51,098.00			8,450.00	(60,484.92)			(26,994.92)		
84.048	Vocational Education	9/1/10-8/31/11	45,146.00	(10,648.00)		23,480.00	(362.76)			(362.76)		
84.027	ID.E.A. Part B Basic	9/1/10-8/31/10	48,899.00	(20,625.00)		10,846.00	(34,112.42)			(22,234.42)		
84.027	ID.E.A. Part B Basic Carryover	9/1/09-8/31/10	1,773,046.00			11,878.00	(1,689,152.28)			(809,771.28)		
84.391	ARRA- I.D.E.A. Part B Basic	9/1/09-8/31/09	1,601,353.00	(942,816.56)		869,381.00						
84.391	ARRA- I.D.E.A. Part B Basic	9/1/10-8/31/11	1,421,853.28			942,816.56	(238,546.44)			(1,066,331.10)		
84.173	ID.E.A. Part B Preschool	9/1/09-8/31/10	1,988,672.00	(296,196.72)		296,196.72	(1,325,646.38)					
84.173	ID.E.A. Part B Preschool	9/1/10-8/31/11	55,224.00	(44,674.00)		31,751.00	(51,416.61)			(10,666.61)		0.46
84.173	ARRA- I.D.E.A. Part B Preschool	9/1/09-8/31/10	52,957.00			7,601.00	(7,800.54)					
84.352	Total U.S. Department of Education	9/1/10-8/31/11	72,092.00	(44,674.00)		44,674.00						
	Total Special Revenue Fund		\$ 1,842,759.61	\$ (1,842,759.61)		\$ 3,695,693.00	\$ (4,528,256.73)		\$	\$ (2,675,356.00)	\$	\$ 0.46
10.550	Enterprise Fund U.S. Department of Agriculture Passed-through State Department of Education	9/1/09-8/31/10	161,912.96	30,865.95								
10.550	Food Distribution Commodities Program	9/1/10-8/31/11	169,950.30			169,950.30	(30,865.65)					
10.555	National School Lunch Program	9/1/09-8/31/10	1,146,616.25	(88,523.68)		88,523.58	(181,088.89)					8,861.31
10.555	National School Lunch Program	9/1/10-8/31/11	1,190,353.65			1,108,135.32	(1,190,353.68)			(84,218.34)		
	Total Enterprise Fund		\$ 2,568,833.16	\$ (57,657.73)		\$ 1,366,609.20	\$ (1,362,436.60)		\$	\$ (84,218.34)	\$	\$ 8,861.31
	Total Federal Financial Assistance		\$ 1,947,018.05	\$ (1,947,018.05)		\$ 5,335,312.08	\$ (6,157,166.53)		\$	\$ (2,771,767.57)	\$	\$ 8,861.77

See accompanying notes to schedules of financial assistance.

TOWNSHIP OF UNION SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2010		CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS/ REPAYMENT OF PRIOR YEARS BALANCES	ACCOUNTS RECEIVABLE	BALANCE AT JUNE 30, 2011		MEMO CUMULATIVE TOTAL EXPENDITURES
				DEFERRED REVENUE (ACCTS RECEIVABLE)	DUE TO GRANITOR					DEFERRED REVENUE	DUE TO GRANITOR	
State Department of Education												
General Funds												
Equalization Aid	11-495-034-5120-026	\$21,585,108.00	7/1/10-6/30/11	\$	\$	\$2,287,291.70	(22,314,413.00)	\$	\$	\$	\$	22,314,413.00
Security Aid	11-495-034-5120-064	1,505,106.00	7/1/10-6/30/11			151,510.60	(150,510.60)					
Special Education Categorical Aid	11-495-034-5120-089	4,279,517.00	7/1/10-6/30/11			4,274,387.60	(4,278,517.00)					4,279,517.00
Transportation Aid	10-495-034-5120-014	1,246,809.00	7/1/09-6/30/10			124,882.90	(124,882.90)					
Nonpublic School Transportation Aid	10-495-034-5120-014	55,894.00	7/1/09-6/30/10			55,894.00	(66,038.00)					66,038.00
Nonpublic School Transportation Aid	10-495-034-5120-014	66,038.00	7/1/10-6/30/11			1,268,847.00	(983,157.00)					983,157.00
Extraordinary Aid	11-495-034-5120-044	1,346,462.00	7/1/10-6/30/11			3,349,214.00	(3,345,214.00)					3,349,214.00
On Behalf TPAF Pension Contributions	11-495-034-5095-006	3,906,534.09	7/1/10-6/30/11			3,713,546.71	(3,906,534.09)					3,906,534.09
Reimbursed TPAF Social Security Contributions	10-495-034-5095-004	3,650,877.45	7/1/09-6/30/10			189,693.64						189,693.64
Total General Funds		\$ 189,593.64		\$	\$	\$ 35,354,028.35	(34,884,863.09)	(559,850.30)	(192,987.38)	\$	\$ 4,283,435.38	\$ 34,884,863.09
Special Revenue Fund:												
N.J. Nonpublic Aid	11-100-034-5120-064	32,056.00	7/1/10-6/30/11			32,056.00	(31,562.35)					31,562.35
Textbook Aid	11-100-034-5120-070	37,986.00	7/1/10-6/30/11			37,986.00	(37,986.00)					37,986.00
Nursing Services												
Auditory Services												
Compensatory Education	11-100-034-5120-067	129,610.00	7/1/10-6/30/11			129,610.00	(129,610.00)					129,610.00
English as a Second Language	11-100-034-5120-067	19,246.00	7/1/10-6/30/11			10,246.00	(6,759.00)					6,753.00
English as a Second Language	10-100-034-5120-067	18,701.00	7/1/09-6/30/10			1,957.00						1,957.00
Transportation	11-100-034-5120-068	13,853.00	7/1/10-6/30/11			13,853.00	(13,853.00)					13,853.00
Handicapped Services:												
Supplemental Instruction	11-100-034-5120-066	29,416.00	7/1/10-6/30/11			29,416.00	(23,416.00)					29,416.00
Supplemental Instruction	10-100-034-5120-066	36,264.00	7/1/09-6/30/10			4,778.00						4,778.00
Examination & Classification	11-100-034-5120-065	31,414.00	7/1/10-6/30/11			31,414.00	(31,414.00)					31,414.00
Examination & Classification	10-100-034-5120-066	42,785.00	7/1/09-6/30/10			10,982.00						10,982.00
Connective Speech	11-100-034-5120-066	18,619.00	7/1/10-6/30/11			18,619.00	(19,619.00)					19,619.00
Total Special Revenue Fund		\$ 17,897.00		\$	\$	\$ 297,802.00	(295,703.35)	(17,897.00)	(6,259.97)	\$	\$ 3,598.64	\$ 293,703.35
Capital Projects Fund												
School Development Authority												
Upgrades at:												
Union High School	5290-060-02-034	4,436,708.00				\$	\$	\$	\$	\$	\$	4,436,708.00
Kawaneek Middle School	5290-070-02-034	1,484,554.00				\$	\$	\$	\$	\$	\$	1,484,554.00
Battle Hill School	5290-080-02-034	631,200.00				\$	\$	\$	\$	\$	\$	631,200.00
Central Five-Jefferson	5290-085-02-035	529,414.80				\$	\$	\$	\$	\$	\$	529,414.80
Connecticut Farms School	5290-090-02-035	532,962.63				\$	\$	\$	\$	\$	\$	532,962.63
Franklin School	5290-100-02-035	529,306.00				\$	\$	\$	\$	\$	\$	529,306.00
Livingston School	5290-130-02-035	556,654.75				\$	\$	\$	\$	\$	\$	556,654.75
Washington School	5290-140-02-034	483,200.00				\$	\$	\$	\$	\$	\$	483,200.00
Burnt Middle School	5290-160-02-035	664,299.76				\$	\$	\$	\$	\$	\$	664,299.76
New Entry Childhood Classroom at Hanna Caldwell School	5290-065-09-00YS	1,144,588.00				\$	\$	\$	\$	\$	\$	1,144,588.00
Dismalish and Replac:												
Central Five-Jefferson School	5290-085-09-1003	5,259,907.00				\$	\$	\$	\$	\$	\$	5,259,907.00
Total Capital Projects Fund		\$ 11,144,588.00		\$	\$	\$ 604,492.29	(604,492.29)	(604,492.29)	(6,259,907.00)	\$	\$ 5,880,000.71	\$ 10,850,782.02

TOWNSHIP OF UNION SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2010		CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS/ REPAYMENT OF PRIOR YEARS BALANCES	(ACCOUNTS RECEIVABLE)	BALANCE AT JUNE 30, 2011	DUE TO GRANTOR	MEMO	
				DEFERRED REVENUE (ACCTS RECEIVABLE)	DUE TO GRANTOR							BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
Debt Service Fund:													
Debt Service Aid Type II	11- 495-034-5120-125	\$125,610.00	7/1/10-6/30/11	\$	\$	\$ 125,610.00	(125,610.00)	\$	\$	\$	\$	\$	\$ 125,610.00
Total Debt Service Fund				\$	\$	\$ 125,610.00	(125,610.00)	\$	\$	\$	\$	\$	\$ 125,610.00
Enterprise Fund:													
State School Lunch Program	10- 100-010-3350-023	62,268.72	7/1/09-6/30/10	\$	\$	4,832.28	\$	\$	\$	\$	\$	\$	\$
State School Lunch Program	10- 100-010-3350-022	37,881.71	7/1/10-6/30/11			33,408.37	(37,981.71)		(4,573.34)			4,573.34	37,881.71
Total Enterprise Fund				\$	\$	\$ 38,240.65	(37,981.71)	\$	(4,573.34)	\$	\$	\$	\$ 37,881.71
Total State Financial Assistance				\$	\$	\$ 163,850.65	(163,591.71)	\$	(5,897,561.43)	\$	\$ 3,598.64	\$	\$ 163,850.21

See accompanying notes to schedules of financial assistance.

Township of Union School District
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
Year Ended June 30, 2011

NOTE 1. GENERAL

The accompanying schedules of expenditures of Federal Awards and State financial assistance include federal and state award activity of the Board of Education, Township of Union School District. The Board of Education is defined in Note 1 to the District's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditure of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Note 1 to the board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States Local Governments, and Non-profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedule (RSI) are presented for the general fund and special revenue fund to demonstrate finance-regulated legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, payments are not recognized until the subsequent budget year due to the state deferral and recording of one or more June state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenue, whereas GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with N.J.S.A. 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$512,539.00 for the general fund and \$426,694.78 for the special revenue fund. See Exhibit "C-3" for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page.

Township of Union School District
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
Year Ended June 30, 2011

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 246,506.50	\$ 34,884,893.09	\$ 35,131,399.59
Special Revenue Fund	4,528,256.73	293,703.36	4,821,960.09
Capital Projects Fund		604,492.29	604,492.29
Debt Service Fund		125,610.00	125,610.00
Food Service Fund	<u>1,382,436.60</u>	<u>37,981.71</u>	<u>1,420,418.31</u>
Total Awards & Financial Assistance	<u>\$ 6,157,199.83</u>	<u>\$ 35,946,680.45</u>	<u>\$ 42,103,880.28</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2011. TPAF Social Security contributions represents the amount reimbursed by the state for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2011.

NOTE 6. PRIOR PERIOD ADJUSTMENT

The Schedule of Expenditures of Federal Awards, for the year ended June 30, 2011, was adjusted to reflect the cancellation of \$23,962.69 of prior year encumbrances and payables. The Schedule of Expenditures of State Financial Assistance for the year ended June 30, 2011 was not adjusted.

Township of Union School District
Union County, New Jersey

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2011

Section I – Summary of Auditor’s Results

Financial Statements

- | | | |
|-----|--|-------------|
| (1) | Type of Auditor’s Report Issued: | Unqualified |
| (2) | Internal Control Over Financial Reporting: | |
| | (a) Material weaknesses identified? | No |
| | (b) Significant deficiencies identified that are not considered to be material weaknesses? | N/A |
| (3) | Noncompliance material to the basic financial statements noted? | No |

Federal Program(s)

- | | | |
|-----|---|---------------|
| (1) | Internal Control Over Major Federal Programs: | |
| | (a) Material weaknesses identified? | No |
| | (b) Significant deficiencies identified that are not considered to be material weaknesses? | N/A |
| (2) | Type of Auditor’s Report issued on compliance for major federal program(s)? | Unqualified |
| (3) | Any audit findings disclosed that are required to be reported in accordance with Section .510 (a) of Circular OMB A-133 and listed in Section III of this schedule? | None Reported |

- (4) Identification of Major Federal Programs:

<u>Grant Program</u>	<u>CFDA</u>
ARRA-Education Jobs Fund	84.410
ARRA-Title I-Part A	84.389
Title II-Part A	84.367
ARRA-I.D.E.A. Part B Basic	84.391
ARRA-I.D.E.A. Part B Preschool	84.392

Township of Union School District
Union County, New Jersey

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2011

Section I – Summary of Auditor’s Results (Continued)

Federal Program(s) (Continued)

- (5) Program Threshold Determination:
 Type A Federal Program Threshold > \$300,000.00
 Type B Federal Program Threshold <= \$300,000.00
- (6) Auditee qualified as a low-risk auditee under OMB Circular A-133? No

State Program(s)

- (1) Internal Control Over Major State Programs:
- (a) Material weaknesses identified? No
- (b) Significant deficiencies that are not considered to be material weaknesses? N/A
- (2) Type of Auditor's Report issued on compliance for major state programs? Unqualified
- (3) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 04-04 and listed in Section III of the schedule? None Reported
- (4) Identification of Major State Programs:

<u>Grant Program</u>	<u>Account Number</u>
Equalization Aid	11-495-034-5120-078
Non-Public Auxiliary	11-100-034-5120-067
School Development Authority	5290-083-09-00YS
Debt Service Aid	11-495-034-8120-125

Township of Union School District
Union County, New Jersey

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2011

Section I – Summary of Auditor’s Results (Continued)

State Program(s) Continued)

- (5) Program Threshold Determination:
Type A State Program Threshold > \$1,007,923.99
Type B State Program Threshold <= \$1,007,923.99

- (6) Auditee qualified as a low-risk auditee under OMB Circular A-133? No

Section II – Financial Statement Audit – Reported Findings
Under Government Auditing Standards

Internal Control Findings

None Reported

Compliance Findings

None Reported

Section III – Findings and Questioned Costs Relative to Major Federal and State Programs

Federal Programs – None Reported

State Programs – None Reported

Township of Union School District
Union County, New Jersey

Schedule of Prior Year Audit Findings

All prior year audit recommendations have been implemented.

